

SPEECH

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1782 - 1858

Thos. Hart

MR. BENTON, OF MISSOURI,

ON THE

BILL TO SEPARATE THE GOVERNMENT

FROM THE BANKS.

Delivered in the Senate of the United States, March 14, 1838.

WASHINGTON:

PRINTED AT THE GLOBE OFFICE.

1838.

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SPEECH.

ON THE BILL TO SEPARATE THE GOVERNMENT FROM THE BANKS.

Mr. BENTON commenced his speech with remarking upon the different manners in which the discussion of the bill had been conducted on the different sides of the House. The chairman of the Finance Committee, [Mr. WRIGHT,] who had reported the bill, and opened the debate, had done it in a most business like manner; his luminous and masterly exposition of principles and details being entirely confined to the subject, and never once deviating into extrinsic matter, or touching upon any topic of party, or partisan character. Not so the speeches of the Opposition Senators. From the very beginning they launched into the ocean of party politics, and made the bill the occasion for a general attack upon the Republican Administrations of General Jackson and Mr. Van Buren, such as we have been accustomed to see for a long time on this floor. The debate has been conducted by them as an attack upon a party, and as a contest for power, and not as an inquiry into the merits of the bill. The speeches they have delivered have been such as might be expected at the partisan encounters of the hustings, on the stump, or at barbecue dinners, in the course of an electioneering campaign for an elective office, and not such as would be looked for in the parliamentary discussion of a legislative measure.

In this attack it has been assumed for granted that the country has been ruined by, what is called, the mad and wicked administration of General Jackson; and that President Van Buren being pledged to carry out his line of policy, is of course pledged to go on ruining the country, and therefore ought to be resisted and overthrown. I propose to inquire into the truth of these assumptions, and to ascertain, first, how far it is true that the country has, in point of fact, been ruined; next, how far this ruin, if any, has been the work of General Jackson's administration; and, after settling these preliminary points, I shall have something to say on the merits of the bill, and something on the peculiar system of party warfare of which this Senate has been the scene for the last six years.

In making my inquiries into the ruin of the country, I am not left to grapple with vague generalities and pointless declamation. Fortunately for me, the Opposition orators have descended to spe-

cifications, and have shown wherein this ruin has been perpetrated. Their specifications embrace almost every branch of foreign or domestic policy; and, taking the era of the second Mr. Adams's administration, when themselves were in power, and their cherished national bank was in its meridian—taking this period as the culminating point of our America's prosperity, felicity, and renown, they trace a rapid descent, from that high point of national pre-eminence, down the steep road to destruction, until the entire nation is landed in total perdition in the year of our Lord, 1837. They have given us specifications, but there they stop. No proof, no statistics, no statements, no comparative tables, accompany their specifications to establish their truth. Bold assertion, and terrifying descriptions, occupy the place of proof. These fierce denunciators assume the prerogative of genius; they assume to be independent of facts and of reasons; and they rely upon flights of fancy, dashes of imagination, and fierceness of invective, to supply the place of proof and argument. I have no pretension to this prerogative. I am a plain speaker, and tell what I know, and then prove it. Reversing then the method of our opponents, I shall discard altogether the painted and gilded creations of the imagination, and shall confine myself to the effective logic of facts and figures.

At the head of the specifications of gentlemen, is the article of commerce, both foreign and domestic, each asserted to have been prostrated and sacrificed by the fatal policy of General Jackson's administration. We will test the truth of this bold assertion; and for that purpose will have recourse to data which no gentleman will be at liberty to question. And, first, of domestic commerce. The great West shall be our first field of inquiry. and, casting the eye over the broad expanse of the magnificent region, we see two points at which the commerce of the upper half of the valley of the Mississippi, is subjected to a process which allow it to be annually, and easily, counted and compared. These points are, the Louisville canal for the commerce of the Ohio, and the port of St. Louis, for the commerce of the Upper Mississippi. Referring to the evidence obtained at these two points, and we have exact accounts of the commerce in the two largest sections of the West, and data for estimating the condition of the remainder.

In each instance the statement goes back seven years, that is to say, to the second year of General Jackson's administration, and comes down to the first year of Mr. Van Buren's. For the Louisville canal, the official return stands thus:

Abstract of the boats that have passed, and tolls received on the Louisville and Portland Canal.

Year.	Steamboats.	Flat and keel boats.	Tons.	Amount received.
1831	406	421	76,323	\$12,750 77
1832	453	179	70,199	25,756 12
1833	875	710	169,885	60,736 92
1834	938	623	162,000	61,848 17
1835	1,256	355	200,413	80,165 24
1836	1,182	260	182,220	83,343 23
1837	1,501	165	242,374	145,424 69
	6,611	2,713	1,103,324	\$475,025 14

Mr. B. read over this table, and then commented upon some parts of it. The increase in the number of steamboats which passed the canal had increased four-fold in seven years; and the year of ruin—1837—had presented as large an increase as any preceding one had done. But the number of steamboats was not the most correct criterion; the tonnage is more accurate, especially as it includes flats and keel boats; and, tested by the tonnage, it will be seen that the increase was three-fold in seven years, and that the year of ruin presented an increase of 60,000 tons over that of the preceding year. So much for the prostration of commerce on the Ohio river, and in Kentucky itself, in this black year of perdition and destruction!

The commerce of the port of St. Louis was the second test to which Mr. B. subjected the domestic commerce of the country. St. Louis was a port of entry by law, and a port of destination by position for nearly all the boats which entered it. It was not merely a touching or stopping point for boats bound elsewhere, but was a port of destination for the delivery of cargoes, and the reception of lading. I have the statement of its steamboat commerce for seven years; and this is the result:

Years.	Number of different boats.	Their tonnage.	Number of entries.
1831	60	7,796	432
1832	80	9,250	508
1833	90	12,222	573
1834	110	13,173	607
1835	121	15,470	803
1836	144	19,447	1,355
1837	195	22,794	1,607

Mr. B. remarked upon this exhibit as corresponding wonderfully with that of the Louisville canal, and showing an increase of nearly four fold in the commerce of St. Louis, under the impracticable and outlandish administration, as it was called, of General Jackson, and a large increase in the year of ruin over that of any preceding year—even the bloated year of 1836. The arriving and departing tonnage for the year 1837, was 450,821 tons, the far greater part of it being the growth of seven years, and that not only without banks, but upon the loss of one—the loss of the United States Branch Bank, which wound up after the veto of 1832; and from which time the commerce of the city advanced with gigantic strides, and established itself upon foundations too solid to be overthrown by any convulsion.

The foreign commerce of some of the principal

seaports, next claimed the attention of Mr. B. He took the ports of Boston, New York, Philadelphia, Baltimore, Charleston, and New Orleans, as presenting leading points in the different sections of the Union, and compared the imports in those cities during the administration of Mr. Adams, when the Federal party and the Federal bank were in full power, with those, not of 1836, which was a year of bloat and over-action, but with the year of ruin—1837—when the mad and wicked measures of the absurd, impracticable, and outlandish measures of the administration of the Republicans had produced the full measure of their fatal destruction. He presented a table, compiled for him at the Treasury Department, and read it.

Statement of the value of imports into the United States, for the years and ports mentioned.

	1825.	1826.	1827.	1828.	1837.
Boston	15,845,000	14,349,000	11,170,000	12,674,000	17,940,000
New York	19,639,000	38,063,000	38,684,000	41,863,000	78,543,000
Philad'a.	15,641,000	13,543,000	11,212,000	12,884,000	11,650,000
Baltimore	4,751,000	4,917,000	4,400,000	5,620,000	7,857,000
Charleston	1,892,000	1,534,000	1,434,000	1,241,000	2,510,000
N. Orleans	4,290,000	4,167,000	4,531,000	5,217,000	14,020,000

Remarking upon this table, Mr. B. said that, the year of ruin presented an increase of business in every port except that of Philadelphia, far exceeding the proportionate increase of population. Taking the last year of Mr. Adams's administration, as the one most favorable to the Opposition, and it would be seen that, at Boston, the increase of importations was five millions of dollars in value; in New York, the increase was thirty-seven millions; in Baltimore, above two millions; in Charleston, more than double; in New Orleans, doubled, and a million and a half over. Philadelphia, the seat of the great bank, was the only place that exhibited a decline: all the rest exhibited a vast improvement, and the further off from the Philadelphia protector the better. The case of Charleston was particularly striking. The commerce of that city regularly declined from year to year, under the withering influence of the high tariff policy, during the administration of Mr. Adams, and the presence of a branch bank of the great regulator. It declined for four years; then rapidly recovered under the administration of General Jackson; and, in the year of ruin was double the amount of the last year of Mr. Adams's time.

Mr. B. referred to the exports, and imports of specie, to show the further superiority of the year of ruin over the finest year of Mr. Adams's administration, or even the whole of it put together. His averment was, that the gain on the import of specie, over the exports, was, for the year 1837, four millions and a quarter of dollars, while, for the whole four years of Mr. Adams's administration, the gain was but one million. On these points he exhibited these tables:

	Imports.	Exports.
1825	- \$6,150,130	\$8,797,955
1826	- 6,880,960	4,704,553
1827	- 8,152,130	8,014,880
1828	- 7,489,741	8,243,476

Making a total of about 30 millions and a half of imports, and about 29 millions and a half of exports. The same test for the year of ruin, exhibi-

ted \$10,964,432 for the imports, and \$6,714,000 for the exports.

Pursuing the tests of the comparative prosperity of the two periods, Mr. B. came to the sales of the public lands, which stood thus:

1825	-	-	\$1,205,068
1826	-	-	1,128,617
1827	-	-	1,318,105
1828	-	-	1,221,357
1837	-	-	7,004,538

Here again the year of ruin appears, said Mr. B. in victorious contrast with the whole period of Mr. Adams's administration. The sales of the single year are equal to six years of such sales as occurred from 1825 to 1828. The sales in Indiana alone, during this year of ruin, exceeded the sales of the best year in Mr. Adams's time, for they amount to \$1,565,390. The same may nearly be said of Illinois, where the sales for 1837 amount to \$1,266,775. The whole of these sales were for hard money; for the Treasury order was in full operation during the whole year. The entire sum of seven millions was received in specie, and the one half of it after the banks had suspended payment. This fact was the fullest vindication of that order. It showed the error of all the calculations which were made upon the effect of that order. It showed that the farmers had no difficulty in getting hard money to buy lands. The quantity sold in 1837 was bought by farmers, and not by speculators. The Treasury order expelled the speculators, with their bales of borrowed bank notes, from the field. It operated as a pre-emption law in favor of cultivators. It is now operating as a pre-emption law in their favor, and, as such, ought to be sustained and supported by all the friends of the settlers. The respectable Legislature of Indiana had passed resolutions against this order; but the resolutions were founded in mistake, as the land sales of the year and of their own State will fully prove. All that are in favor of settlers against speculators should be in favor of that order; for hard money payment is the only thing which can put the farmer above the competition of the bank facility purchasers.

Mr. B. then exhibited the detailed statement of the sales of the public lands for 1837, to show that, under the operation of the Treasury order, and in the year of ruin, the prosperity of the farming interest, as indicated by their ability to purchase, and to pay for, public lands, was in the ratio of six to one over that of Mr. Adams's time.

Statement showing the amount of the sales of the public lands during the year 1837.

States and Territories.	Purchase money.
Ohio	\$591,283
Indiana	1,565,390
Illinois	1,266,778
Missouri	828,452
Alabama	475,918
Mississippi	320,660
Louisiana	283,696
Michigan	969,106
Arkansas	353,920
Wisconsin Territory	223,479
Florida Territory	125,852
Total	\$7,004,538

The ruin of the currency was the next topic which Mr. B. took up. No money, was the cry. Commerce, labor, industry of every kind, stagnant, languishing, paralyzed for want of money to put the wheels of business in motion! Such is the lamentation which fills this chamber, and is re-echoed every where. But is it true? Is it true that the country is destitute of money, or only that banks and capitalists have locked it up, and laid it away, to create fictitious scarcity, and thereby aid politicians in promoting discontent and in accomplishing a political revolution? This is the question, and let authentic facts answer it. What is the actual amount of currency, paper as well as specie, now in existence in our country? The most recent, and authentic, estimates will place the amount at about one hundred and seventy millions of dollars; namely, eighty millions of specie, and ninety-five millions of bank notes. The specie was computed at that amount a year ago, and has been increased near five millions during the year 1837—the year of ruin, and is now daily increasing; the bank notes now in actual circulation are computed at ninety-five millions by the gentleman in the Treasury Department, charged with collecting the returns and expositions of the banks, and who has made out this statement at my special request, to be used upon this occasion. Precise accuracy he knows to be unattainable, but a close approximation to the true amount is easily accomplished where publicity of bank reports are so general as they now are. The quantum of one hundred and seventy millions may then be assumed as the amount of the currency now in existence in the United States. How will this amount compare with periods proclaimed to have been prosperous, and held up for our unceasing admiration and gratitude? There are two of those periods, each marking the termination of a National Bank charter, and each presenting us with the actual results of the operations of those institutions upon the general currency, and each replete with lessons of instruction applicable to the present day, and to the present state of things. The first of these periods is the year 1811, when the first National Bank had ran its career of twenty years, and was permitted by Congress to expire upon its own limitation. I take for my guide the estimate of Mr. Lloyd, then a Senator in Congress from the State of Massachusetts, whose dignity of character and amenity of manners is so pleasingly remembered by those who served with him here, and whose intelligence and accuracy entitle his statements to the highest degree of credit. That eminent Senator estimated the total currency of the country, at the expiration of the charter of the first National Bank, at sixty millions of dollars, to wit: ten millions specie, and fifty millions in bank notes. Now compare the two quantities, and mark the results. Our population has precisely doubled itself since 1811. The increase of our currency should, therefore, upon the same principle of increase, be the double of what it then was; yet it is three times as great as it then was! The next period which challenges our attention is the veto session of 1832, when the second Bank of the United States, according to the opinion of its eulogists, had carried the currency to the ultimate point of perfection. What was the amount

then? According to the estimate of a Senator from Massachusetts, then and now a member of this body, [Mr. WEBSTER,] then a member of the Finance committee, and with every access to the best information, the whole amount of currency was then estimated at about 100 millions; to wit: 20 millions in specie, and 75 to 80 millions in bank notes. The increase of our population since that time is estimated at 20 per cent.; so that the increase of our currency, upon the basis of increased population, should also be 20 per cent. This would give an increase of 20 millions of dollars, making, in the whole, 120 millions. Thus, our currency in actual existence, is nearly one-third more than either the ratio of 1811 or of 1832 would give. Thus, we have actually about 50 millions more, in this season of ruin and destitution, than we should have, if supplied only in the ratio of what we possessed at the two periods of what is celebrated as the best condition of the currency, and most prosperous condition of the country. So much for quantity; now for the solidity of the currency at these respective periods. How stands the question of solidity? Sir, it stands thus: In 1811, five paper dollars to one of silver; in 1832, four to one; in 1838, one to one, as near as can be! Thus, the comparative solidity of the currency is infinitely preferable to what it ever was before; for the increase, under the sagacious policy of General Jackson, has taken place precisely where it was needed—at the bottom, and not at the top; at the foundation, and not in the roof; at the base, and not at the apex. Our paper currency has increased but little; we may say nothing, upon the bases of 1811 and 1832; our specie has increased immeasurably; no less than eight fold, since 1811, and four fold since 1832. The whole increase is specie; and of that we have 70 millions more than in 1811, and 60 millions more than in 1832. Such are the fruits of General Jackson's policy! a policy which we only have to persevere in for a few years, to have our country as amply supplied with gold and silver as France and Holland are; that France and Holland in which gold is borrowed at 3 per cent. per annum, while we often borrow paper money at 3 per cent. a month.

But there is no specie. Not a nine-pence to be got for a servant; not a picayune for a beggar; not a ten cent piece for the post office. Such is the assertion; but how far is it true? Go to the banks, and present their notes at their counter, and it is all too true. No gold, no silver, no copper to be had there in redemption of their solemn promises to pay. Metaphorically, if not literally speaking, a demand for specie at the counter of a bank might bring to the unfortunate applicant more kicks than coppers. But change the direction of the demand; go to the brokers; present the bank note there; no sooner said than done; gold and silver springs forth in any quantity; the notes are cashed; you are thanked for your custom, invited to return again; and thus, the counter of the broker, and not the counter of the bank, becomes the place for the redemption of the notes of the bank. The only part of the transaction that remains to be told, is the per centum which is shaved off! And, whoever will submit to that shaving, can have all the bank notes cashed which he can carry to them. Yes, Mr. President, the bro-

kers, and not the bankers, now redeem the bank notes. There is no dearth of specie for that purpose. They have enough to cash all the notes of the banks, and all the Treasury notes of the Government into the bargain. Look at their placards! not a village, not a city, not a town in the Union, in which the sign-boards do not salute the eye of the passenger, inviting him to come in and exchange his bank notes, and Treasury notes, for gold and silver. And why cannot the banks redeem, as well as the brokers? Why can they not redeem their own notes? Because a veto has issued from the city of Philadelphia, and because a political revolution is to be effected by injuring the country, and then charging the injury upon the folly and wickedness of the Republican Administrations. This is the reason, and the sole reason. The Bank of the United States, its affiliated institutions, and its political confederates, are the sole obstacles to the resumption of specie payments. They alone prevent the resumption. It is they who are now in terror lest the resumption shall begin, and to prevent it, we hear the real shout, and feel the real application of the rallying cry, so pathetically uttered on this floor by the Senator from Massachusetts, [Mr. WEBSTER,]—*once more to the breach, dear friends, once more!*

Yes, Mr. President, the cause of the non-resumption of specie payments is now plain and undeniable. It is as plain as the sun at high noon, in a clear sky. No two opinions can differ about it, how much tongues may differ. The cause of not resuming is known, and the cause of suspension will soon be known likewise. Gentlemen of the Opposition charge the suspension upon the folly, the wickedness, the insanity, the misrule, and misgovernment of the outlandish Administration, as they classically call it; expressions which apply to the people who created the Administration which have been so much villified, and who have sanctioned their policy by repeated elections. The Opposition charge the suspension to them—to their policy—to their acts—to the veto of 1832—the removal of the deposits of 1833—the Treasury order of 1836—and the demand for specie for the Federal Treasury. This is the charge of the politicians, and of all who follow the lead, and obey the impulsion of the denationalized Bank of the United States. But what say others whose voice should be potential, and even omnipotent, on this question? What say the New York city banks, where the suspension began, and whose example was alleged for the sole cause of suspension by all the rest? What say these banks, whose position is at the fountain head of knowledge, and whose answer for themselves is an answer for all. What say they? Listen, and you shall hear! for I hold in my hand a report of a committee of these banks, made under an official injunction, by their highest officers, and deliberately approved by all the city institutions. It is signed by Messrs. Albert Gallatin, George Newbold, C. C. Lawrence, C. Heyer, J. J. Palmer, Preserved Fish, and G. A. Worth; seven gentlemen of known and established character, and not more than one out of the seven politically friendly to the late and present Administrations of the Federal Government. This is their report:

"The immediate causes which thus compelled the banks of the city of New York to suspend specie payments, on the 10th May last, are well known. The simultaneous withdrawing

of the large public deposits, and of excessive foreign credits, combined with the great and unexpected fall in the price of the principal article of our exports, with an import of corn and bread stuffs, such as had never before occurred, and with the consequent inability of the country, particularly of the South-western States, to make the usual and expected remittances, did, at one and the same time, fall principally and necessarily, on the greatest commercial emporium of the Union. After a long and most arduous struggle, during which the banks, though not altogether unsuccessfully, resisting the imperative foreign demand for the precious metals, were gradually deprived of a great portion of their specie; some unfortunate incidents of a local nature, operating in concert with other previous exciting causes, produced distrust and panic, and finally one of those general runs, which, if continued, no banks that issue paper money payable on demand, can ever resist; and which soon put it out of the power of those of this city to sustain specie payments. The example was followed by the banks throughout the whole country, with as much *rapidity* as the news of the suspension in New York reached them, without waiting for an *actual run*, and principally, if not exclusively, on the alleged grounds of the effects to be apprehended from that suspension. Thus, whilst the New York city banks were almost *drained* of their specie, those in other places preserved the *amount* which they held before the final catastrophe."

Resuming his remarks, Mr. B. repeated, this is what they say! These are the reasons assigned by those bankers for the stoppage! and what are they? They are, 1. The simultaneous withdrawing of the deposits; 2. Excessive importations of foreign goods on credit; 3. Fall in the price of cotton; 4. Importation of wheat and flour; 5. Some unfortunate incidents of a local nature; of which the death, by supposed suicide, of one of the bank presidents, may be considered as the principal. These are the reasons! and what becomes now of the Philadelphia cry, re-echoed by politicians, and subaltern banks, against the ruinous measures of the Administration? Not a measure of the Administration mentioned! not one alluded to! Not a word about the Treasury order; not a word about the veto of the National Bank charter; not a word about the removal of the deposits from the Bank of the United States; not a word about the specie policy of the Administration! Not one word about any act of the Government, except that distribution act, disguised as a deposit law, which was a measure of Congress, and not of the Administration, and the work of the opponents and not the friends of the Administration, and which encountered its only opposition in the ranks of those friends. I opposed it, with some half dozen others; and among my grounds of opposition one was, that it would endanger the deposit banks, especially the New York city deposit banks, that it would reduce them to the alternative of choosing between breaking their customers, and being broken themselves. This was the origin of that act—the work of the Opposition on this floor; and now we find that very act to be the cause which is put at the head of all the causes which led to the suspension of specie payments. Thus, the Administration is absolved. Truth has performed its office. A false accusation is rebuked and silenced. Censure falls where it is due; and the authors of the mischief stand exposed in the double operation of having done the mischief, and then charged it upon the heads of the innocent.

But, gentlemen of the Opposition say, there can be no resumption until Congress "*acts upon the currency*." Until Congress acts upon the currency! that is the phrase! and it comes from Philadelphia; and the translation of it is, that there shall be no resumption until Congress submits to Mr. Biddle's bank, and recharter that institution. This is the

language from Philadelphia, and the meaning of the language; but, happily, a different voice issues from the city of New York! The authentic notification is issued from the banks of that city, pledging themselves to resume by the 10th day of May. They declare their ability to resume; and to continue specie payments, and declare they have nothing to fear, except from "*deliberate hostility*"—an hostility for which they allege there can be no motive—but of which they delicately intimate there is danger. Philadelphia is distinctly unveiled as the seat of this danger. The resuming banks fear hostility—**DELIBERATE ACTS OF HOSTILITY**—from that quarter. They fear nothing from the hostility, or folly, or wickedness of this Administration. They fear nothing from the Sub-Treasury bill. They fear Mr. Biddle's bank, and nothing else but his bank, with its confederates and subalterns. They mean to resume, and Mr. Biddle means that they shall not. Henceforth two flags will be seen, hoisted from two great cities. The New York flag will have the word **RESUMPTION** inscribed upon it; the Philadelphia flag will bear the inscription of **NON-RESUMPTION**, and **DESTRUCTION TO ALL RESUMING BANKS**. Under the one, or the other, of these two flags, all other banks, all citizens, and each political party, will be found arranged. The whole country will divide between them, and no neutrals will be seen. In that great division, I assume to assign no one to a place. I leave it to each to find, and to take his own position. Of political parties, so far as chiefs are concerned, we can all see that their places are already taken. The Federal gentlemen are under the flag of **NON-RESUMPTION**; the Republicans are under the flag of **RESUMPTION**. My best wishes attend this latter flag; and, if need be, I shall be ready to give it a lift, and even to strain a point to help it on to victory.

I have carefully observed the conduct of the leading banks in the United States. The New York banks, and the principal deposit banks, had a cause for stopping which no others can plead, or did plead. I announced that cause, not once, but many times, on this floor; not only during the passage of the distribution law, but during the discussion of those famous land bills, which passed this chamber, and one of which ordered a peremptory distribution of sixty-four millions, by not only taking what was in the Treasury, but by reaching back, and taking all the proceeds of the land sales for years preceding. I then declared in my place, and that repeatedly, that the banks, having lent this money under our instigation, if called upon to reimburse it in this manner, must be reduced to the alternative of breaking their customers, or of being broken themselves. When the New York banks stopped, I made great allowances for them; but I could not justify others for the rapidity with which they followed their example, and still less can I justify them for their tardiness in following the example of the same banks in resuming. Now that the New York banks have come forward to redeem their obligations, and have shown that sensibility to their own honor, and that regard for the punctual performance of their promises, which once formed the pride and glory of the merchant's and the banker's character, I feel the deepest anxiety

for their success in the great contest which is to ensue. Their enemy is a cunning and a powerful one, and as wicked and unscrupulous as it is cunning and strong. Twelve years ago, the president of that bank which now forbids other banks to resume, declared in an official communication to the Finance Committee of this body, "*that there were but few State banks which the Bank of the United States could not DESTROY by an exertion of its POWER.*" Since that time it has become more powerful; and, besides its political strength, and its allied institutions, and its exhaustless mine of resurrection notes, it is computed by its friends to wield a power of one hundred and fifty millions of dollars! all at the beck and nod of one single man! for his automaton directors are not even thought of. The wielding of this immense power, and its fatal direction to the destruction of the resuming banks, presents the prospect of a fearful conflict ahead. Many of the local banks will doubtless perish in it; many individuals will be ruined; much mischief will be done to the commerce and to the business of different places; and all the destruction that is accomplished will be charged upon some act of the Administration—no matter what—for whatever is given out from the Philadelphia head is incontinently repeated by all the obsequious followers, until the signal is given to open upon some new cry.

The ruin of the exchanges, both foreign and domestic, was the next topic of lamentation which Mr. B. examined. He said that the short interval which had elapsed since the extra session had put an end to one branch of this lamentation—the branch of the foreign exchanges. At that session nothing but the recharter of the National Bank could turn the foreign exchanges in our favor which, in May, were 22 against us. Gentlemen were just as positive of that, at the extra session, as they now are of the present total perdition of the country; yet in three brief months, and left to the operations of commerce, foreign exchange has regulated itself! and is now at 4 or 5 per cent. nominal, giving a real difference in our favor of 5 or 6 per cent. If the Congress had yielded to the clamor got up for the recharter of the National Bank at the extra session, with what exultation would not this chamber, and the whole Union, have rang! We should never have heard the last of it. As it is, the word *foreign* exchange is not even mentioned. That branch of the lamentation has ceased. It is the *domestic* exchanges which now engross all concern. The revival of the great regulator is indispensable to their restoration. To hear these gentlemen, it would be supposed that domestic exchanges were never deranged before; that during the existence of the National Bank, all moneyed exchanges were level, and equal, and equable throughout the Union. Alas! that human memory is so short and treacherous. I have in my hand, sir, a comparative statement of domestic exchanges, in the bank note department, for the glorious year of 1826, when the Federal Administration was in the middle of its reign—when the Federal Bank was in its meridian splendor—when the Senator from Kentucky, who now mourns the ruin of all things [Mr. CLAY] was in the Department of State—and when all the present orators of wo, or woful orators, as the case may be, rejoiced in the pleni-

tude of power which their party then possessed, and celebrated the felicity of man on earth. This comparative table is made up from the prices current of Philadelphia—from the very seat and citadel of the great regulator itself—and what does it say? Listen to it, and it will tell you.

Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut, from 2 to 2½ per cent. discount in December, 1826; from 1½ to 2 in February, 1838. New York city, par then, and par now. Country banks of New York, 1½ to 2 per cent. discount then; par now. Baltimore, ½ then; ¾ now. Western Virginia, 4 to 5 discount then; 2½ to 3 now. North Carolina, 2½ to 5 then; 2½ to 3 now. South Carolina, 1½ to 2 then; 2½ to 3 now. Georgia, 2½ to 3 then; 3½ to 4 now. Alabama, 10 to 15 then; 9 to 9½ now. Louisiana, 5 to 6 then; 4 now. Mississippi, 10 to 16 then; 15 now. Tennessee, 10 to 20 then; 12 to 12½ now. Ohio, from 4 to 6 then; 3½ to 4 now. Kentucky—(and at the name of Kentucky, Mr. B. raised his voice, and repeated the name with great emphasis)—Kentucky, from 45 to 55, and from 55 to 35 per cent. discount then; from 3½ to 4 discount now! Let no gentleman suppose there is any mistake of figures in this reference to Kentucky. There is more than one person present who was then in Kentucky, and knows that 50 per cent. was the common difference of exchange against her currency. I myself travelled in Kentucky in that period, and know the fact, and often saw the bills of travellers and others made out double—so much in specie, and so much in Kentucky paper—and the latter precisely the double of the former. Such is the result of the comparison between the year 1826 and the year 1838; in almost every instance decidedly in favor of the present day, and in the case of Kentucky ten to one more favorable to her now than then. Yet this Senate is to be lectured, and the people of the United States to be terrified, with a tale of the ruin of these exchanges, brought about by the misrule of a senseless, wicked, impracticable, and outlandish Administration. Such is the result; the same in exchanges as in commerce and in every thing else; the country incomparably better off than it ever was before. And yet grave Senators, or Senators who ought to be grave, are seen to rise in their places, compose their faces for the expression of wo, attune their voices for the communication of lamentable sounds, and then enact the part of Volney, sitting upon the ruins of Palmyra, and bewailing the downfall of states and empires.

I will grant you, continued Mr. B. that domestic exchanges are deranged at present,—much deranged, but not so much so as in 1826; and why are they deranged now? Because specie payments are suspended; let specie payments be resumed, and domestic exchanges instantly regulate themselves, and effect the regulation upon the simple and eternal principle of the expense of freight and insurance in the transportation of metallic money. The freight and insurance of silver, between any two extreme points in the United States, is 2 per cent.; and that is the fair exchange on silver between the extremities of the Union. The exchange on gold is less than half what it is on silver, the freight being so much less; and, in addition to all other argu-

ments in favor of a gold currency, that of being the best regulator of exchange, is one of those which presents itself to the mind of every political economist.

Mr. B. would make a few observations upon this subject of domestic exchanges. It was a subject on which every body had got to talking within a few years past, and which was now thrust into every argument upon the question of currency and finance. All this has grown up since the Bank of the United States had undertaken to regulate these exchanges. More had been said and written on this subject since Mr. Biddle became president of the National Bank than in two hundred years before; more in fact than had been said upon it since the day that John Cabot first came in sight of the North American coast. And why? Because in the administration of that bank, immediately after Mr. Cheves left it, commenced the abuse and perversion of the business of exchange, which was soon imitated by local banks, until it has now become a means of extorting usury, transcending all other means of extortion, and brought to bear upon people who wish to borrow money, and not to sell bills, and many of whom never heard of a bill of exchange until they learnt that it was the only way in which money could be got out of a bank. The Legislature of Indiana has just made examinations upon this subject which show the nature of the abuse; but the practice of it was inconsiderable in that State compared to what it was in other places. The returns of the deposite banks, and of the Bank of the United States, show the extent of the practice: and referring to the last of these returns made before the suspension of specie payments, and the mass of dealings in these bills, and their excessive disproportion to ordinary loans, becomes impressively striking. I could name a bank, an interior one, not in a great city, nor even on a great river, in which the purchase of bills was \$690,000, while the loans in the old way, on notes, were but \$4,728 and 14 cents!

[Mr. BUCHANAN and other Senators here asked for the name of the bank.]

Mr. B. said his object was to expose a general practice, and not to exhibit particular instances; but as the name of this bank was called for, he would give it with the leave of the young Senator from Ohio [Mr. ALLEN]; it was the bank in the town of his residence, Chillicothe. But why mention particular instances where the practice is general? The returns of the Bank of the United States show that twenty odd millions were often out in domestic bills of exchange; the last returns of the deposite banks, before they suspended, showed that they had forty-four millions out in that way; nine of them only had twenty-two millions in these bills; and in looking over the column of suspended debts, it is seen that default in payment chiefly occurred on this description of debts. Much of this is an abuse of exchange. Much of it is a mere mode of covering usurious loans. A citizen is forced to give a bill when he only wants to borrow; if he got the money as a loan on his note, he would pay nothing but interest, but getting it on a bill he has to pay exchange in addition to interest, and then commissions besides. Where the citizen is obliged to have the money, the bank can put the exchange at what

it pleases, and so practice extortion and usury to any extent that it is willing. This business, as an abuse, began with the Bank of the United States under the administration of Mr. Biddle. It was one of my original objections to that bank. Its branches were engines for practising this abuse; and its own friends were among the first that ever complained to me about it. In the reform of the banking system, to the necessity of which the public mind is now waking up, this abuse of the business of domestic exchanges is entitled to the first notice. It is a vast system of usury, extortion, and oppression of the community, a total perversion of the business of a bank, and a source of enormous and illicit gains, enabling them, after dividing vast profits, to give to their presidents and cashiers, in many instances, salaries transcending those of our Heads of Departments, Vice-President, and Chief Justice of the Supreme Court of the United States.

Mr. B. then adverted to the ruin of prices, which had figured so largely in gentlemen's speeches on the calamities of the country. Property, produce, labor—every thing, according to them, was now without price. But how was it in the fine times of Mr. Adams's administration? Compare the prices of the two periods. Pork, then \$1 25 per hundred, in the western country; wheat, some 30 odd cents per bushel; flour, \$3 a barrel; cotton, 8 or 9 cents a pound; and every thing else in the same proportion. The people remember all this, and read with astonishment the distress harangues which go forth from this floor. They know very well that all prices are better now, even when reduced to the specie standard, than they were in the time of the national bank, and under the Federal Administration. They have memory, and can recollect ten or twelve years back. Memory is the lowest attribute of the mind. It belongs even to irrational animals—to cattle. And yet the Federal gentlemen do not seem to know that the people have memory, much less reason and judgment; and here is the fault, or the misfortune, of the gentlemen of the Federal party. They believe they monopolize all the intelligence of the country; and, by consequence, that the people know nothing, and will have to believe all they hear; and, thereupon, they tell them most incredible things. Now this belief of a monopoly of all the intelligence extant, would be a very sweet conceit to indulge in privately, or even to point a Bacchanalian song, or grace a barbecue speech, or to swell the exultation of midnight orgies; but it is fatal to act upon it in the business of life. The fate of the panic-makers of 1833, should warn them of that! when every panic-making candidate for the Presidency, instead of killing Jackson and Van Buren, killed himself off of the list of candidates! And when the tug of war came, they were found to be, what the broken bank notes are in the Treasury,—an *unavailable fund*! So may it be again. The people have memory, and knowledge, and reason, and judgment; and it will not do for politicians to treat them as wanton boys do young robins, when they throw them gravel in place of bread. The people know their own condition, and they see through the conduct of others. The farmers who were selling their produce in 1826 for the one-third, the one-half, or the three-fourths of what they are getting for it now,

will not believe in the ruin of prices with which politicians assail their ears.

Mr. B. finished the comparison, or rather the contrasts, between the year of Republican *ruin*, and the period of Federal *prosperity*, with the expression of his confident belief that the fallacy of all the gentlemen's lamentations had been completely shown. There was no ruin, but in their own imaginations. The year 1837, though not equal in the general activity of business to the bloated overaction of 1836, was yet transcendently superior to any year of Mr. Adams's administration. Making a due allowance for an increase of population, and the superiority was still far beyond that increase.

Having vindicated General Jackson's Administration from the imputation of having brought ruin upon the country, Mr. B. proceeded to notice some of the wars which he was charged with waging upon some public institutions, and some branches of industry. He was charged by two Senators on this floor [Messrs. TALLMADGE and CLAY] with having made war upon the late Bank of the United States; and one of these Senators [Mr. CLAY] had charged this war to the base motive of revenge, because he could not succeed in his attempts to seduce this virtuous institution into the field of politics, and into the support of his own political views. The first remark which I have to make upon this imputed war, is upon the new idea which it presents of the *right* of the bank to be continued in its existence, when to oppose that continuation of existence is deemed a violation of that *right*, and a commencement of hostilities upon the institution. General Jackson made no movement against the existing charter of the late bank; he made no attempt to impair, or to destroy, the existing charter. The extent of his action was, to recommend to Congress the non-renewal of the charter, and, afterwards, to disapprove the new charter which Congress had granted. This was the extent of his action—directed against a non-existent, and not against an existing charter. According to the Republican reading of the Constitution, the President had a *right* to do these things: nay more, that it was his duty to make this recommendation, and to express this disapproval, if he thought the Constitution, or the public good, forbid the future existence of the bank. He had a clear right, under the Constitution, to do what he did; but according to the Federal reading of the Constitution, as exhibited by this objection, he had no such right; but was guilty of lawless violence, and waged war upon the institution, both in the recommendation, and in the exercise of the veto. This is the fair inference resulting from the accusation! Such is the progress of anti-republican ideas among us! ideas which go to invest a moneyed corporation with a rightful claim to a perpetuity of existence, and to stigmatize as *war* the constitutional exercise of Executive rights and duties.

With these remarks, to show the progress among us of ideas towards the royal doctrine of legitimacy, I come to the main inquiry—the truth of the charge itself. Is it true that General Jackson made war upon the Bank of the United States? Is it true that he was in favor of that institution, and only turned against it after his election to the Presidency, and after he had failed in an attempt to convert

it into a political machine, to subserve his own political purposes? These are the questions which are now to be answered, and, happily, they will receive answers which will consign the charges to the lowest place in the deepest abyss of political calumnies. These charges first crept into daylight at the veto session of 1832, and attained their full form and shape at the famous panic session of 1833-'34. In both instances they emanated directly from the Bank of the United States itself; and in the matured form which they received in 1833, in a report of a committee of that Bank, approved by the majority of its directory, they imported that, *immediately after the elevation of Gen. Jackson to the Presidency, a meeting was held, of the principal chiefs, to consider of the means of perpetuating their new authority; and the possession of the Bank was among the objects of the parties assembled. There was a combined effort to render the Bank subservient to political purposes, and to break it if it could not be bent to these purposes.* This was the charge,—one very specific, and very susceptible of proof, if there was any truth in it. No proof, however, has ever been attempted by those who made it, and no other specification under it, but the forty times exploded misrepresentation about Jeremiah Mason, the president of the Portsmouth branch bank. The cabinet meeting, and the application for the removal of Mr. Mason, are fixed for the spring of 1829; and as the whole attempted seduction, or destruction, of the Bank, was then planned, and as far as seduction was concerned, was then fully tried, a date thereby presents itself which becomes the touchstone of the accusation. It is in the spring of the year 1829 that General Jackson has a meeting, and a consultation, and resolves to bend the Bank to his purposes, or to break it; and it is in June of the same year that the vile seduction is attempted, and is so indignantly repulsed! Of course, from that time forward, General Jackson could feel nothing but resentment against the unseducible Mr. Biddle, and Mr. Biddle could feel nothing but abhorrence for the man that had attempted his honor. Now mark what havoc a few stubborn dates, and a few recorded facts, will make of all this fine romance! The spring of 1829 is the date of this ferocious resolution of seduction, or destruction, and of repulse at seduction. Now what does January of 1830 bring forth? A nomination to the Senate of the United States, by General Jackson, of this same Mr. Biddle to be one of the Government directors of the bank; and nominated at the head of the list, which was tantamount to nominating him for the presidency of the bank. In the Senate this nomination is unanimously voted for by the friends of General Jackson, and Mr. Biddle accepts the appointment thus conferred. This is one date and one fact. What next? Why, in January, 1831, President Jackson repeats the same nomination; his friends in the Senate give it the same unanimous vote, and Mr. Biddle repeats his acceptance of this repeated appointment. This is a second date, and a second fact. Is there any thing more? Yes, sir, another nomination—another unanimous vote for it—and another acceptance, in January, 1832. So that three times, in three years, after resolving on the destruction of Mr. Biddle and the bank—after resolving to bend the bank to his purposes, or to

break it—this violent man, who will brook no opposition to his will, replaced the same Mr. Biddle as a Government director, and indicated him for the head of the institution; and three times, in three years, after this attempted seduction, did Mr. Biddle receive appointments at the hands of the man whom, he now gives us to understand, he held in abhorrence on account of that attempt.

Mr. President, there are cases in which the wise maxims of the law—the Mosaic, as well as the civil, and the common law—require an immediate cry, and will not listen to a stale accusation. The instance before us is one of those cases. The virgin bank should have screamed in June, 1829! It was too late to begin, faintly, in May, 1832, after it was known that the veto was resolved upon, and only rise to an audible shriek in December, 1833, after the deposits had been removed. Such long delayed complaint of outrage, and then a limping and halting complaint, under such circumstances, looks more like the accusation of revenge than the shriek of injured innocence. It looks like the accusation of Potiphar's wife against Joseph. No, sir! the accusation is false upon its face. It is proven to be false by dates and facts; but the proof does not stop here. I have another piece of evidence in my possession, of character still higher, and of effect still more conclusive, to be produced if the Senate please: it is a letter from General Jackson himself; and being a *letter*, it cannot be read except by the leave of the Senate. [Cries of leave, leave, leave, from different parts of the chamber.] Mr. B. would avail himself of the leave which was granted, and would read the letter; but he first chose to explain the circumstances under which it came to be written. We have many prophets in this time, said Mr. B. but most of them are *ex post facto* performers in the art of divination—foretelling most accurately the whole event after it had happened. I, on the contrary, have undertaken to practice a little in the old way—to divine ahead—to prophesize of a coming event; and so, when on my way to Congress last fall, I wrote to General Jackson from my steamboat in the Ohio river, to inform him of this attack which was to be made upon him in the Senate, and to say to him that if he chose to answer it himself, and would write me a letter to that effect, I would dramatize the scene, when the attack was made, by introducing him to speak for himself. The attack has been made; and here is the answer, a letter from the Hermitage, dated November 29, 1837, all written in the old General's own hand, and written with the vigor and rapidity of an arm that was driving the British and the Indians before it. This is the letter:

"HERMITAGE, NOV. 29, 1837.

"The charge made of my being friendly to the Bank of the United States until I found it could not be used to subserve my political purposes, when I turned against it, is one of the basest calumnies ever uttered. Such must all pronounce it who know any thing about me. I have ever opposed the establishment of this bank on grounds of both constitutionality and expediency.

"When the aristocratic few at Nashville first made a movement to obtain a branch there, they were forestalled by a law of the Legislature, imposing a heavy fine upon any bank that should attempt to do business within the limits of the State without being first chartered by the Legislature thereof. This provision of the Legislature had my cordial approbation, and prevented, while it continued in force, a location of the branch of the bank at Nashville; but it was afterwards repealed. I was absent at the time the subject of repeal was discussed, but

reached the seat of Government the night before the final vote on its passage in the State Senate, and in time to expostulate with Robert C. Foster, esq. then the presiding officer over that body. I warned him of the danger of repealing that law, and stated to him that the object of those who favored the repeal was the introduction of the United States Bank, and that the results of the operation of this institution in Tennessee would be to drain the State of its precious metals, for the benefit of the foreigners who held its stock. The circumstance that there was at this time but one or two individuals in this State who owned any stock of the institution, enabled me to press the argument on this score with considerable force. But Mr. Foster, if now appealed to, must vouch for the fact that my objections to the bank were founded principally on my conviction that its charter was not authorized by the Constitution of the United States. My admonitions were, however, unheeded; the penalty was repealed; and, as I foresaw and predicted, steps were soon taken to obtain the location of a branch at Nashville. A memorial to this effect was presented to me for my signature, which I peremptorily refused to sign. General Cadwallader shortly afterwards came to Nashville as agent of the bank, and visited and dined with me. My opposition to the bank, and repugnance to its establishment at Nashville, were, on this occasion, as free and unreserved as they had been before.

"Some short period after the visit of General Cadwallader, when the branch was established, a recommendation for the appointment of two gentlemen to fill the places of its president and cashier was shown to me, with a request that I should state my knowledge of the character of these two gentlemen. The bank being established, and the people liable to be cursed with all its attendant evils, I expressed my confidence in the two gentlemen referred to, believing them to be honest, and that, as far as they had control over the institution, it would not be wielded for corrupt political purposes. This recommendation, I have been informed, has been used to prove my approbation of the establishment of this bank. So also has my agency in forwarding a memorial from the mercantile interest of Pensacola, in the year 1821, when I was the Governor of Florida. On this last occasion, my hostility to the bank was freely expressed, but this did not restrain me from forwarding a memorial of the citizens for the establishment of a branch. As Governor of the Territory, I deemed it my duty to make known the wishes and feelings of the people, however different they were from my own.

"Having early imbibed the jealousy of those who framed the Constitution, in respect to the dangers of monopolies to the freedom of the citizen, and to the sovereignty and efficacy of our State Governments, I have been always unfriendly to the Bank of the United States. Nor have I stopped here. My views have been equally repugnant to the establishment of State banks of mere paper issues, as all must recollect who have any knowledge of my conduct as a citizen of Tennessee, and particularly of the part I took when its late State bank was incorporated. My position now is, and has ever been since I have been able to form an opinion on this subject, that Congress has no power to charter a bank, and that the States are prohibited by the Constitution from issuing bills of credit, or granting a charter by which such bills can be issued by any corporation or other body."

Having read the letter, Mr. B. said he should make but three remarks upon it; *first*, that it contained a peremptory contradiction of this whole story of turning against the bank, because he could not bend it to his purposes; *secondly*, that it shows General Jackson to have been always opposed to any Bank of the United States, and against the recharter of the late one; *thirdly*, that it carries home a knowledge of all this to the bank itself in the person of its confidential agent, its frequent director, and the friend and connection of Mr. Biddle.

General Jackson is cleared of the foul imputation, and how stands the matter of fact with that bank? Is it, or is it not, a political machine, and as such constantly working with a political party, and with that party whose tenets favor the fundamental principles of that corporation? I hold the affirmative of these inquiries, and shall insist that the bank was created for a political machine; that it always has been, and forever will be, such a machine; and that it belongs to the party whose latitudinarian doctrines, and whose passion for a strong and splendid Government, find a natural support in an institution whose principle are—con-

centration of wealth, exclusive privileges, monopoly, perpetuity of existence, irresponsibility to the people, and succession of membership. National banks owe their establishment, in these United States, to General Hamilton—a frank and a brave man, who scorned to deny or to dissemble his objects. He made his first report to Congress, in favor of a national bank, in December, 1791; and in that original proposition for creating the institution, he boldly avows its political character. These are his words: "*Such a bank is not a mere matter of private property, but a POLITICAL MACHINE of the highest importance to the State.*" Created then for a political machine, it immediately entered upon the fulfilment of its destination; and this first bank, thus created, is said by Marshall, in his *Life of Washington*, "*To have contributed to that complete organization of those distinct and visible parties, which, in their long and dubious conflict for power, have since shaken the United States to their centre.*" A political machine, defining parties, and acting with the Federalists during the whole period of its existence, the first Bank of the United States sunk under the odium of its party character. The Republicans, in the ascendant, refused to renew its charter in 1811. The question of renewal, as the debates of the time fully show, largely turned upon the political character and conduct of the institution; and a member of the Senate, then and now on this floor, [Mr. CLAY,] characterized the Federal Senators present as the *Macedonian phalanx* of the bank.

The creation of the second bank, in 1816, was also contested as a political institution, but with an almost total reversal of parties. Mr. Madison's administration, in putting down the first bank, had committed the great error of falling back upon the local banks for a national paper currency. Instead of re-establishing the currency of the Constitution for the Federal Treasury, and especially restoring the gold currency, by correcting the erroneous standard of that metal, and thereby preserving an adequate supply of the precious metals for the use of the whole country, the great error was committed of falling back upon the paper currencies of the States. The fruit of that error was, the speedy reduction of the Federal Government to the use of broken bank paper, the involvement of the whole community in the same calamity, and a resort to a second National Bank to supply a national paper currency. The second bank was brought forward, in the extremity of their distress, by the Republican Administration, to help them out of the mud and mire of a broken bank currency, and to aid them in the operations of the Government. It was then to be a machine on their side. As such, it was supported by Republicans; as such it was opposed by Federalists; a reversal of party position having taken place in relation to the bank, and each party having fallen into the delusive belief that a National Bank could be the supporter of a Republican Administration! Parties changed position, a few individuals standing firm on each side; but the masses crossing over, taking each others places, and freely dealing out the accusations of inconsistency—desertion—abandonment of friends—compromise of principle, &c. &c. It would be tedious to verify this statement by a citation of

speeches, and the reading of yeas and nays; nor is it necessary to cite much. A single quotation from the speeches of the two eminent members, one of the Senate and one of the House, and both present members of this body—then on opposite sides in relation to the bank, now both on the same side in favor of it—will illustrate the point in issue, and establish every thing necessary to be known about it. By one of these speeches the creation of the bank was advocated as a political power, necessary to be possessed by the Federal Government, as a counterpoise to the political power which the local banks gave to the States; and the loyalty of the State in which the mother bank was placed, was relied upon to prevent a concurrence in any scheme for subverting the Federal Government. By the other speaker, the creation of this bank, with a participation in its management and direction by the appointment of five directors—its capital of thirty-five millions—and the control and influence which the Government would have over it, presented it as an object of vice and deformity; and as giving to the Government a power over the institution, and over individuals, which would enable it to bring any man into terms, and to compel the bank itself to do whatever the Administration pleased.

Mr. B. then read a passage from a speech of Mr. CLAY delivered in Kentucky, after his return from Congress in 1816, and explaining the reasons for his change of opinion in relation to a National Bank. The passage was in these words:

"If political power be incidental to banking corporations, there ought, perhaps, to be, in the General Government, some counterpoise to that which is exerted by the States. Such a counterpoise might not, indeed, be so necessary, if the States exercised the power to incorporate banks equally, or in proportion to their respective populations. But that is not the case. A single State has a banking capital equivalent, or nearly so, to the one-fifth of the whole banking capital of the United States. Four States combined have the major part of the capital of the United States. In the event of any convulsion in which the distribution of banking institutions might be important, it may be urged that the mischief would not be alleviated by the creation of a National Bank, since its location must be in one of the States. But in this respect, the location of the bank is extremely favorable, being in one of the Middle States, not likely from its position, as well as its loyalty, to concur in any scheme for subverting the Government; and a sufficient security against such contingency is to be found in the distribution of branches in different States, acting and reacting upon the parent institution and upon each other."

Mr. B. then read a paragraph from a speech of Mr. WEBSTER, delivered in the House of Representatives, April 4, 1836, in opposition to the charter of the second Bank of the United States:

"Mr. WEBSTER said this was a subject on which a great change of opinion had taken place on both sides of the House, and animadverted on what he called a compromise of principle on a great moneyed institution, and the desertion, not only of principles, but of friends, which had characterized the proceedings on the bill. He then spoke some time against the bill, which he pointedly condemned, on account of the participation of the Government in its direction and management. He said he, instead of the little scraps of amendments, which were very well as far as they went, but very trifling, and only served to cover the vice and deformity of the scheme, the Senate had returned the bill healthy, in all the beauty of the original institution, it would have passed through the House swifter than the current of the Potomac.

That control and influence over a great banking institution should not be possessed by the Government. The degree of that influence was not material, the principle remaining the same, be the influence more or less extensive. Could it be doubted that, with this capital, and this power over it, the Government could bring any man into terms, and make the banks act as they pleased?"

Such are the grounds on which the establishment

of the second Bank of the United States was contested in 1816. The Republicans advocated it, because they saw no other way to get out of the slough of irredeemable paper money; the Federalists opposed it, because they feared the bank would be an engine of power and influence in the hands of the Republican Administration. A few years' experience dispelled this fear. At the first reorganization of parties, the bank developed as a political power on the Federal side. This was at the Presidential election, in the House of Representatives, in February, 1825. The bank then took the field, on the side opposed to the candidate who had the plurality of the people's votes in his favor. It has kept the field ever since; and if it is now unable to resume specie payments, it must be principally on account of expenses and losses incurred in thirteen years' warfare against the people of the United States, against their form of Government, and against the persons whom they have elected to carry on the Government. The bank is now the head, and the support of the Federal party, all the Federalists who opposed its creation, have gone over to it. It is their leader, and their *pointe d'appui*. Any catastrophe to it, would be destruction to them, and would annihilate them as a national party. Away then with vain denials, of which nobody is the dupe. The bank is a political machine—a Federal political machine; and no denial of the fact can alter or conceal its truth. The leopard had as well deny the spots on his body—the Ethiopian had as well deny the color of his skin, as for this bank to deny its political character, its anti-Republican nature, and its thirteen years' warfare upon the people and their form of Government.

War upon the local banks is the next accusation upon General Jackson and his successor. After putting down the Bank of the United States, he went to work to destroy the State banks. So say the Opposition speakers, [Messrs. TALMADGE and CLAY.] Now let us examine into the truth of this accusation. What was the conduct of General Jackson to the local banks? In 1833 he removed the public deposits to these banks, and gave them the benefit of the immense accumulations of public money which then took place. At the same time, he released their notes from that state of exclusion from the Federal Treasury to which they had been subjected during the whole time of the Bank of the United States. For the first time, in near twenty years, their notes were received and paid out in the receipts and disbursements of the Federal revenue. At the panic session, when the whole Opposition exerted themselves for so many months to excite a run upon the local banks, and to blow them up, who defended them, here and elsewhere, but General Jackson and his friends? Who defended the Safety Fund banks from the dead set which was then made at them? General Jackson and his friends! Who rejoiced in the explosions of the District banks, and the Maryland Bank, and announced the joyful tidings on this floor? The Opposition! And who grieved over these failures? General Jackson and his friends! And when the time came for him to deliver his last annual message, what was his language in relation to these banks? Was it that of vengeance, or was it the

language of kindness, of confidence, and of support? Listen to it:

"Experience continues to realize the expectations entertained as to the capacity of the State banks to perform the duties of fiscal agents to the Government. At the time of the removal of the deposits, it was alleged by the advocates of the Bank of the United States that the State banks, whatever might be the regulations of the Treasury Department, could not make the transfers required by the Government, or negotiate the domestic exchanges of the country. It is now well ascertained that the real domestic exchanges, performed through discounts by the United States Bank and its twenty-five branches, were at least one-third less than those of the deposit banks for an equal period of time; and if a comparison be instituted between the amounts of service rendered by these institutions on the broader basis which has been used by the advocates of the United States Bank, in estimating what they consider the domestic exchanges, the result will be still more favorable to the deposit banks."

"It is believed that the law of the last session, regulating the deposit banks, operates onerously and unjustly upon them in many respects; and it is hoped that Congress, on proper representations, will adopt the modifications which are necessary to prevent this consequence."

This was the language of the last Message, and this is called war upon those banks. Certainly war should be made of sterner stuff! But, Mr. Van Buren! he carries on war against them also! so say the same Opposition Senators. But, here again the charge is met by proof which annihilates it. Mr. Van Buren has spoken for himself on this point, and his whole conduct corresponds with his declared sentiments. In his letter to Mr. Sherrod Williams, he says:

"Although I have always been opposed to the increase of banks, I would, nevertheless, pursue towards the existing institutions a just and liberal course, protecting them in the rightful enjoyment of the privileges which have been granted to them, and extending to them the good will of the community, so long as they discharge, with fidelity, the delicate and important public trusts with which they have been invested."

"But all experience having shown that there is no delegated power more liable to abuse than that which consists in chartered privileges of this description, I would be astute in watching the course of the banks, and vigilant and prompt in arresting the slightest aspiration on their part to follow a bad example, by seeking to become the masters, when they were designed to be the servants, of the people."

Such has been the language and the conduct of Gen. Jackson, and Mr. Van Buren, towards these banks; a conduct and a language utterly disproving the imputation of making war upon them. But this is not all: other proofs of forbearance, of indulgence, and of benefits extended to them, remain to be stated. When the deposit banks stopped payment last spring, the Government continued to receive their notes, at par, in payment of balances due, although these notes were 5, 10, 15, and in some instances 18 per cent. below par. This was a gain to them of that much, and an equal loss to the Government creditors, to whom they were paid out, and an immense injury to the character and popularity of the Administration itself. Again, when Congress met at the extra session, extended time was given to all these institutions to pay up their balances—a time which has not yet expired, and which has enabled them to give time and indulgence to their own debtors. Far from injuring them, the Republican Administrations have confided in them to their own cost, and to the great injury of their own popularity. They had the confidence of Government when the public money was put into their hands. In placing the public money with them, the fate of the Administration, in a large degree, was committed to them. We wished them well, upon the same principle that we wished ourselves well. Since our wishes have been disappointed, and the Admini-

nistration and the country have been the chief sufferers, we make no war, but grant indulgence, exercise forbearance, and ask for peace. We want peace—that safe and permanent peace which results from separation of interests, and absence of all the causes of collision. True, General Jackson, and Mr. Van Buren, and all their friends, wish to see the banking system of the United States reformed. They wish to see great reforms introduced into the system; and, if it is not done, they believe that great mischiefs must eventually result to the community, and great injury to the banks themselves. They look for a great catastrophe, if great reforms are not effected.

A war upon the merchants is another of the offences charged upon General Jackson; and what is the evidence of it? The commerce of the country nearly doubled since he became President; nearly one half of the whole amount of imports made free of duty; the duties greatly reduced on all the remainder; indemnities obtained from France, Spain, Denmark, and Naples, for spoiliations committed under former administrations, and which former administrations in vain solicited; ships of war sent into every sea for the protection of mercantile interests; ministers and consuls sent to new points, and to further points than they ever went to before; outrages punished on the opposite side of the globe, even among the antipodes; time given to merchants for the payment of their bonds; debentures paid to them in specie, while they withheld specie from the Government! Such are the evidences of this war upon merchants, of which we hear so much. So far from making war upon them, General Jackson's administration has done more for merchants than any one, or any two administrations, that ever preceded him. He has been their beneficent benefactor: and this is known to every citizen who knows the history of his country, and is acknowledged by every merchant whose heart is American. The imputation of hostility to merchants is an old Federal accusation against Republicans. It was made against Mr. Jefferson; and his "terrapiin policy" was long the theme of the politician, the press, the jester, and the caricaturist.

No, Mr. President, General Jackson made no war either upon banks or merchants; not even upon the Bank of the United States, for he never attacked its existing charter; and his opposition to a new one can only be looked upon as aggressive, and as amounting to war, by those who consider the bank above the Government, and entitled, like a royal progeny, to a perpetuity of existence. That great man made no war upon any institution; or upon any interest; but, sir, we have seen some wars made—there are some still making—and I will take the liberty to enumerate a few of them.

First, there was the war against the local banks generally, during the whole panic session, in which no term of reproach was too odious to be lavished upon them, and no statements to discredit them, no assertion to destroy confidence in them, no attempts to excite runs upon them, and to blow them up, were too shameless or too unscrupulous to find authors, abettors, and aiders, in the ranks of their present most officious friends.

Next was the war upon the safety fund system,

and the safety fund banks, of the State of New York, which, for two or three sessions, raged with such violence on this floor. During all that time, nothing so corrupt as this system, nothing more certain than its rottenness and explosion, and nothing so dreadful as the prospect of having it imposed upon the whole Union in the event of an election of a certain citizen of the State of New York to the Presidency of the United States. In this war, I had the honor to extend a feeble aid to the Senator from New York, [Mr. TALLMADGE,] in his patriotic defence of the institutions of his State against the repeated and violent assaults of his present coadjutor in politics from Kentucky, [Mr. CLAY.]

Then came the war, which still continues, upon the constitutional currency of the country—a war in which gold and silver has received all the abuse which, in other countries, would be lavished upon counterfeit money. First ridiculed as visionary and impracticable; then denounced and stigmatized as a barbarism; then attempted to be forced out of the country by deportation; then attempted to be imprisoned, and shut out from the light of day, by shutting down all the banks upon it; then attempting to drive it off by turning loose upon it a pestiferous issue of shin-plasters and small notes; and now straining might and main to keep it down by keeping up irredeemable paper, preventing a resumption of specie payments, and forcing a currency of broken bank notes into the coffers of the Federal Government.

Another war which we have seen going on ever since the veto session, six years ago, and which we still see, is upon the general business of the country; turning off laborers, reducing wages, stopping work, shutting up factories; expanding and contracting the paper currency, so as to make money plenty one day and scarce the next; monopolizing bread and fuel, to double their price, while diminishing the capacity of the laborer to purchase; fabricating distress by every act of real oppression, and aggravating it by every art of fictitious exaggeration; looking forward to an "awful winter" as to a banquet of intellectual enjoyment; scarcely concealing their dissatisfaction with Providence for giving mildness instead of severity of weather, and insulting the victims of their oppression by doling out to them an ostentatious and contemptible charity.

Another of these wars, one which we have witnessed ever since the Presidential election in the House of Representatives, in February, 1825, is that which has been so appropriately denounced by the Senator from Ohio, who sits to the left, [Mr. MORRIS,] and which exceeds all others in enormity, because it is a war upon the fundamental principles of our Constitution, and upon the form of the Government under which we live. The revival of this war dates from the election of Mr. Adams by the House of Representatives, in 1825, but its origin is coeval with the foundation of the Government. Up to the first election of Mr. Jefferson, in 1800, this war was carried on openly and furiously, and the sentiment contained in the elder Mr. Adams's book on the American Constitution, *that the British Constitution, with its king, lords and commons, was the most stupendous fabric of human inven-*

tion, had its open and public defenders. The second election of Mr. Jefferson sunk Federalism too low. It drove it into a state of hibernation, far north, from which it did not emerge for many years; and which left it without distinctive character, or object, until the Congress election of the second Mr. Adams. Then the ancient principles of the party revived, and the war recommenced upon the principles, and upon the form, of our Government, in the attacks which were made upon the capacity of the people to choose their own Presidents. This war then recommenced, and has continued ever since; for what is this eternal denunciation of General Jackson, but a denunciation of that immense majority of the American people, who have three times preferred him for President, and a fourth time approved his policy in the election of his successor? What is this infinite accumulation of degrading epithets upon the mad, wicked, outlandish, and ruinous administration of General Jackson, but an application of the same epithets to the people who elected him, and who have approved his Administration? What is this cry for a change of the "experimenters," but a cry for a change of the voters who elect them? Beyond doubt, the capacity of the people to choose their representatives, is attacked in these incessant assaults upon their representatives; and the zeal and unanimity with which this war is carried on, make it high time to consider it in its true aspect, as a deliberate waging of hostility upon the principles of our Constitution, and the form of our Government.

Finally, we see a war against an individual, against a retired citizen, an aged man, one that has done the State some service—a war of which there are but few examples in the annals of Christendom, or within the boundaries of the civilized world. General Jackson is no longer on the stage of action; he is no longer in any man's way. Through the portals of everlasting fame he has made his exit from the stage of public life, and has gone into that retirement never more to be withdrawn from it, which he has always sought, and from which his country has so often recalled him. Repose is the only boon that he now asks of the world, and such a man has certainly a right to tranquillity—a right to be free from invasion—in the evening of his days, and in the shelter of his own house. But he is not free from invasion. Persecution follows him. A war of unexampled ferocity is waged against him; and the destruction of his character, public and private, and the laceration of his feelings, seem to be the relentless design of the assailants. That I may do no injustice to any one by mistaken recitals, I will here exhibit some specimens of this warfare, as I find them preserved and perpetuated in the printed copy of a speech delivered on this floor. I read from a revised copy, bearing every mark of authenticity, and of deliberate preparation.

"War and strife, endless war and strife, personal or national, foreign or domestic, were the aliment of the late President's existence. War against the bank, war against France, and strife and contention with a countless number of individuals. The wars with Black Hawk and the Seminoles were scarcely a luncheon for his voracious appetite; and he made his exit from public life, denouncing war and vengeance against Mexico and the State banks."

When Mr. B. had read this paragraph, Senator LINN inquired of him from whose speech he was repeating?

Mr. B. said he would answer the inquiry authentically, by reading the title page of the speech. He read:

"Speech of the Hon. Henry Clay, of Kentucky, establishing a deliberate design, on the part of the late and present Executive of the United States, to break down the whole banking system of the United States, commencing with the Bank of the United States, and terminating with the State banks, and to create on their ruins a Government Treasury Bank, under the exclusive control of the Executive, and in reply to the speech of the Hon. J. C. Calhoun, of South Carolina, supporting that Treasury Bank. Delivered in the Senate of the United States, February 19, 1838. Printed by Gales and Seaton, Washington City, 1838."

Sir, this is the speech from which I read. The paragraph is a brief one, but it is comprehensive; and in the eagerness of the speaker to get at the victim, the public interests, the existing interests of the country, are overlooked, and endangered. Who can now look for any indemnities from Mexico, or for any submission from the Seminole Indians, until after the next Presidential election is over? Who can now count upon the quietude of Black Hawk, the removal of the Cherokees, or the peace of the Western frontiers? The foreign and domestic policy of General Jackson is set down to the love of strife, and the spirit of vengeance; this must excite all foreign nations, and all Indians, to resist his policy. His personal difficulties are said to be countless, although we can count the whole population of the Union; they are said to be endless, although he is known to have had no such difficulties for a quarter of a century, and to have become the friend and benefactor of many of those with whom he has had dissensions. Granted that he has had personal difficulties, and violent ones, yet they *can* be counted, and they *have* ended, Violence subsides; malice never dies! and that is the difference between General Jackson's feuds, and those of some other persons. Sir, I have some knowledge upon this subject; and this letter, (holding up one from General Jackson) delivered to me since I rose to speak, the seal yet unbroken, can attest that his animosities are not endless. "War and strife, endless war and strife, &c. &c. were the aliment of the late President's existence." And this is to be said of a citizen who, at the early age of thirty-three, resigned the place of Senator on this floor to go home, and live upon a farm so retired as to merit, and to receive, the name of Hermitage; who, being called thence to the bench of the Supreme Court of his State, resigned that station to return to his farm; who, being called again to lead an army to victory and to glory, and to be made Governor of an important Territory, with a high salary, a third time resigned to go back to his farm; who, being for the second time placed as Senator upon this floor, still resigned to go back to his farm; who, being offered embassies and departments, refused to touch them; and who, being twice called to the Presidency of the United States, availed himself of the first moment of the expiration of his office again to return to his farm, never more to be dragged away from it. This is the man whose aliment is strife, whose luncheons are wars, who went off breathing vengeance!

But to continue the reading:

"His Administration consisted of a succession of astounding measures, which fell on the public ear like repeated bursts of loud and appalling thunder. Before the reverberations of one peal had ceased, another and another came, louder and louder;

and more terrifying. Or rather it was like a volcanic mountain, emitting frightful eruptions of burning lava. Before one was cold and crusted; before the voices of the inhabitants of buried villages, and cities were hushed in eternal silence, another, more desolating, was vomited forth, extending wider and wider the circle of death and destruction."

And this is the Senatorial description of General Jackson's administration! that Administration which has filled the country with prosperity at home, and covered it with honor abroad, and which has revived and restored the Republican spirit of our Government, and rallied the Republican party on the ground which it occupied under the illustrious Administration of President Jefferson.

Sir, it is not my intention to analyze this description, or to inquire into the truth of the allegations it contains. I leave that work to the *moral sense* of the community! I leave it to those who have witnessed these astounding measures—heard this appalling thunder—seen this volcanic mountain—and beheld this frightful river of burning lava! I leave it even to those "voices hushed in eternal silence"—to the voices of the inhabitants of the cities, towns, and villages, buried, crusted over, and cold, under the volcanic eruptions vomited forth by this desolating mountain!

And what has General Jackson done to draw upon him this relentless and undying persecution? Sir, he has done nothing but let the people elect him President, and then so administered the Government as to carry the star of his civil fame to the highest point in the political firmament, there to remain forever, searing the eyeballs of envy, but cheering the heart, and guiding the footsteps of patriotism, and shedding its benign influence on the freedom, happiness, prosperity, and glory of his country.

Mr. President, I have answered some of the attacks on the Republican party which have been brought forward in this debate. They are such attacks as we have been accustomed to see for many years, and which have given to this chamber more the appearance of an electioneering hustings than a hall of legislation. We opened the debate on the merits of the bill; Opposition gentlemen have converted it into a canvass for the Presidency, and a contest for power. We have been obliged to follow them in this unparliamentary course, so far at least as to repel some of their attacks. Having done this, I take up the bill, and shall limit myself to a brief examination of its principles, and to a defence of some of the points on which it is assailed; and shall conclude with some observations upon the conduct of parties, and the political prospect ahead.

The bill contains two principles, and but two. 1. The exclusion of all banks from the use and custody of the public moneys. 2. The exclusion of all bank notes from the receipts and expenditures of the Federal Treasury. These are the principles; all the rest is detail. Against these two principles a strong division of this House rises up; among them a few of our own political friends, but the mass and body of the division are the friends of the Bank of the United States. The justice of this opposition, and especially in the quarter from which it chiefly comes, can well be judged of by recollecting that both these principles have been in full force against all the State banks for nearly forty years out of the forty-eight that our Government

has been in existence. They were so enforced during the whole time that the two Banks of the United States have existed. I have not got the by-laws of the first National Bank, but I have the charters of both, and the by-laws of the second. By these charters, the two Banks of the United States were entitled to the custody of the public moneys, to the exclusion of the local banks; and, by their by-laws, the notes of these local banks were excluded from payments to and from the Federal Treasury. I have a copy of these laws, as passed by the second Bank of the United States, and merely adopted from the code of the first one, in which this exclusion is enacted, and which runs in these words:

[Here Mr. B. read the 24th and the 25th articles of the by-laws of the Bank of the United States, passed immediately after the establishment of the bank, and excluding the notes of all State banks from all payments to the United States, except the notes of the specie-paying banks situated in the same place with the branch; and directing the notes of those thus excepted to be presented to the bank that issued them for payment, at least, once in every week.]

This by-law was enacted in the year 1817, and was rigorously enforced until the removal of the deposits in October, 1833; it was therefore seventeen years in force under the second bank; and having been twenty years in force under the first bank, it results that this exclusion of State bank notes from the Federal Treasury has actually been in force nearly forty years out of the forty-eight which our Government has existed. The slight exception in the non-receivability of these notes was an exception to the prejudice of the local institutions; the exception was limited to the few banks located in the same town which contained the branch bank, and was an injury to these banks; for it caused their notes to be taken out of circulation, and to be presented to them in masses for immediate payment. Thus the great mass of the banks were peremptorily excluded from all receivability of their notes; and as for the few which were nominally excepted, the exception was an injury to them, and to my knowledge was complained of as such. Now, what was the conduct of the local banks under this forty years' exclusion from the use and custody of the public moneys under the provisions of National Bank charters, and this forty years' exclusion of their notes from Federal receipts and expenditures under the enactments of National Bank by-laws? What was their conduct under these long and double exclusions? Sir, it was the conduct of contentment, of satisfaction, of entire acquiescence! They made no complaint; they asked for no change. On the contrary, they endeavored to perpetuate it, and have always celebrated the period of their exclusion as the finest era of our currency, and the safest state of the Federal revenues. This they did in 1832, when our tables groaned under memorials from local banks to recharter the Bank of the United States; this they did again in 1833, when they prayed for the restoration of the deposits to the Bank of the United States, and actually refused to receive them; and this they do now in praying for another National Bank.

A celebrated French satirist has made us ac-

quainted with a most worthy country gentleman, who had talked prose all his life without knowing it; so of these local banks. They have been ruined for forty years without knowing it. During the whole period of the existence of the two National Banks they were in as state of total exclusion—absolute divorce—from all connection with the Federal Treasury. With this divorce, thus effected by corporation by-laws, they were contented and happy, nay, wished it to be eternal! but the moment the same divorce is proposed to be effected by an act of Congress, the banks are in arms against it, and declare themselves ruined if it is done. This is a noble instance of consistency—of submission to a Bank of the United States, and of resistance to the Government of the United States. The same of politicians—of all that class of politicians who advocate a National Bank. They go for the divorce of the by-laws, and against the divorce by a law of Congress. They support a Bank of the United States in excluding the local banks from all connection with the Government, and they support the local banks in resisting the Government of the United States in proposing the very same disconnection. They are now altogether for the local banks, and no praise too high for them; three years ago they were against them, and no abuse too low for them. When these banks resisted the panic, and did well, these politicians denounced them; now that they have stopped payment, and injured the country, and deprived the Government of its revenues, these same politicians exalt them to the skies. This is inconsistency—inconsistency in the means, not in the object. The object is to re-establish the National Bank; and the means are, to have another loss of Government revenues, and thereupon, another argument to restore their idolized institution. This they declare! for they tell us, with the defiance of over-confidence, that they take these local banks as a half-way house—as a house half-way to the Bank of the United States—where they will lodge and refresh a night, and then gallop into the Chestnut street palace, as a breakfast ride, the next morning. And so it will be. Trust them again! and the State banks will fail again, as they did during the war, as they did in 1819, as they did in 1837, and as they are now doing in 1838. They will fail again; the Federal Government will lose its revenues again; and then the cry will be redoubled for a National Bank.

Mr. President, I have opinions upon this subject—opinions not of recent adoption, or hasty formation. Their origin dates far back—a full quarter of a century; and they have been receiving confirmation ever since. I was in the public service during the late war—witnessed the failure of the State banks, and saw the calamities of a Government, and of a people, destitute of specie. The first Bank of the United States had expelled specie—it had done what Mr. Madison said it would do, in that masterly speech of 1791, which never has been, and never can be, answered. In that speech he placed at the head of the list of the disadvantages of such a bank, these prophetic words: "*First: Banishing the precious metals, by substituting another medium to perform their office.*" At the expiration of its charter, in 1811, it had completely effected this work. It had banished the precious metals.

There was but ten millions of specie left in the country! Two great errors were then committed: *first*, in not replenishing the country with specie, and especially with gold; *secondly*, in falling back upon the paper of local banks for a national currency. In this condition, destitute of specie, and relying upon the notes of local banks, we went into the war. The result was inevitable—the explosion of our whole monetary system—the bankruptcy of the Treasury—the ruinous use of depreciated paper—a resort to Treasury notes, on which the creditor often lost 33½ per cent.—loans on oppressive terms—and the Government forced to make common cause with broken banks for the mutual support of each others credit. All this I saw. I saw the calamities, the humiliation, and the sufferings of the country; and I heard the loud and insolent triumphs of the Federal party—that part of it which opposed the war—exulting over an empty Treasury, an impaired public credit, a depreciated paper currency, and the national degradation for want of solid money. I saw all this; and my head, and my heart, both told me that the country ought never to be subjected to such a fate again.

This was my war experience; and now for the experience of peace. After three years of war, peace came, and with it, came revival of business, and a multitude of local banks, and, at their head, that immense charlatan of the monetary system—a National Bank! Off went the whole together; specie payments resumed; confidence restored; the credit system in all its glory, and every branch of business distended to the bursting point. To judge of every thing by a single instance, it is sufficient to name the public lands, of which the amount of TWENTY-EIGHT millions of dollars was sold in a single year! and nearly all on credit, payable in safe and solid specie paying bank notes. In two years the whole of these banks, the charlatan among the rest, were swamped. Then we had a repetition of the scenes of seven years before. No specie; no notes equivalent to specie; no credit; no revenues; no price for property! Tender laws—property laws—replevin laws—stay laws, the order of the day! An entire stagnation of business followed, not fictitious, but real; and such was the fall in the price of all produce, all property, and the wages of all labor, owing to the failure of the banks, and the absence of specie, that all debtors were placed in the jaws of ruin, and most of them entirely ruined. There was no Treasury order then; no removal of deposits; no veto; no Jackson administration to ruin the country; yet the distress and suffering was actually then, what it is falsely said to be, and wickedly attempted to be made, at present. There is no comparison between the state of things then and now.

At this epoch, this second explosion of the paper system, I came into the Senate of the United States. I came here in the autumn of 1820. I travelled from the Mississippi to the Potomac amidst the crash of falling banks, the wrecks of a paper currency, and the lamentations of a suffering nation. I arrived here to see a Government without a dollar, and borrowing money to pay its daily expenses, which, the year before, boasted a revenue of forty-seven millions, and tormented itself with schemes to get rid of surpluses! I commenced

my Senatorial career under these circumstances—circumstances to make me meditate, and to make me feel. Happily, my associations were with the fathers of the Republic—with Macon and Randolph, whose intimacy I enjoyed, and whose friendship I possessed. My reading was that of the early history of the Government—the Revolution, the Confederation, the formation of the Constitution of '89, and the workings of the machinery of the Federal Government under the administrations of the earlier Presidents—Washington, Adams, and Jefferson. The result of this association, and of this reading, was a thorough conviction, 1. That the Federal Constitution was formed by hard-money men, and was intended to be a hard money Government; 2. That it had been converted into a paper money Government, contrary to the genius and intention of the Constitution; 3. That this departure from the Constitution was the cause of the moneyed calamities during the war, and again at that time; 4. That the remedy for these calamities was to return to the plain meaning of the Constitution, as expressed in the revenue act of 1789, and to confine the receipts and expenditures of the Federal Government to gold and silver coin only. These were my convictions; and as soon as circumstances were auspicious for action, I commenced a series of measures, all tending to carry back the fiscal action of the Government to the intention of the Constitution; fully believing that if the Federal Government would require gold and silver for its own Treasury, it would cause enough to be brought into the country, and to remain in the country, to supply the whole body of the people with hard money for all their common and ordinary dealings and transactions. It was not until General Jackson's administration, that I was able to take any strong and direct measures towards the accomplishment of the great object which presented itself to my view. The sagacious Mr. Macon often said to me that it was in vain to attempt any reform, unless the Administration is with you. The election of General Jackson gave such an administration. From that time there was a President, not only to favor, but to take the lead in the great business of restoring the constitutional currency, and my part became subordinate and easy. I had only to explain and defend the great measures which his sagacity and patriotism conceived and recommended.

It is not necessary to dwell on these measures, much less to enter now into any defence of them. A brief enumeration will suffice. 1. No more National Banks. They had been found to be the great exporters of specie; and their chartered right to pay the Federal revenues in their own notes, was in itself a clear breach of the Constitution, and banished gold and silver from the Treasury, and, by diminishing the demand for it, expelled it from the country. 2. To restore the gold currency, by correcting the erroneous standard of gold. 3. The repeal of the act of 1819, rendering uncurrent, with a few exceptions, the gold and silver coins of all foreign countries. 4. The multiplication of the mints, both for the purpose of coining money in different parts of the Union, and for becoming places of deposit, and safe-keeping of the public moneys. 5. The suppression of all local bank notes under twenty dollars. Having no direct

power over the banks of the States, the only mode of accomplishing this object was by the revenue regulations of the Federal Government, and by operating on public opinion in the different States. My own limit was one hundred dollars, but I did not attempt to establish it because I knew that I could not succeed. My conviction is now clear that there ought to be no bank note under one hundred dollars.

Such were our measures for restoring the currency of the Constitution to the coffers of the Federal Treasury, and supplying the country with gold and silver for all the common and ordinary transactions and dealings. The success, notwithstanding a powerful combined political and moneyed opposition, was astonishingly great. The recharter of a National Bank sunk under the veto, sustained by public opinion. The act for the correction of the gold standard hit the point of correction with such perfect accuracy, that the two coins, gold and silver, issuing from our Mint, have precisely the same value in the money market. Under the auspicious operation of that act, our gold coin has risen, in little more than three years, from nothing to fifteen millions, and will probably rise to twenty-five millions before the termination of Mr. Van Buren's present term. The act for repealing the act of 1819, and for restoring foreign coins to circulation, has sent Mexican dollars into every part of the Union, and has enabled other foreign coins, both gold and silver, to make some progress in penetrating our country. Silver has increased three fold since 1832, and silver and gold together, four fold. Our specie was twenty millions then; it is eighty now, with the prospect of exceeding a hundred millions before the present term of Mr. Van Buren is out. Our currency in existence is more abundant and more solid than it ever was before; but the specie part of it is suppressed by the power and policy of the Bank of the United States, combined with the politicians and that part of the banks which follow its lead. Acts of Congress had passed to operate upon small notes, and to exclude those under twenty dollars from revenue payments altogether, and to exclude all others which were not convertible into gold and silver "*upon the spot*," at the will of the holder, and without loss or delay to him. Public opinion had been awakened on the subject of small notes; and the Republicans every where were moving towards the suppression of all under twenty dollars. Such was the progress, and such the success, of our measures in May last, when eight hundred banks stopped payment at once, shut down close upon all the specie in their vaults, denying a ninepence, a picayune, a five cent piece, even, to the Government whose thirty millions of deposits they held, or to the community who held a hundred and twenty millions of their notes! In the midst of profound peace, general prosperity, under a Government without taxes and without a public debt, with four times as much specie as was in five years before, came this crash of the banks. It came like a clap of thunder in a cloudless sky. In one moment, as it were, a Government, with thirty millions of revenue on hand, was left without a shilling; in one moment, a nation of fifteen millions of souls was deprived of ninepences for the

market or the post office. As if to proclaim their design to banish all specie from the land, a simultaneous and universal deluge of small notes and shin-plasters was poured upon the people; and the significant cry was set up, that specie payments could never be restored until a National Bank was established. This cry explained the main cause of the general stoppage, and the sole cause of the shin-plaster and small note issue.

All this took place in May, 1837. It was a repetition, without the excuse of war, of the bank explosions of the war in 1814; it was the second explosion of the banks since the war, and in profound peace. It was expected to astound, terrify, subdue, distress, and coerce the country into a submission to the re-establishment of the National Bank! a result that would have been inevitable had it not been for the eighty millions of gold and silver which Jackson's administration brought into the country, and which has so well kept up the value of bank notes that those which are in good credit are now no more than one or two per cent. below par. This third explosion in twenty-five years—this second explosion in time of peace—this loss of national revenues, as if by enchantment—this disappearance of specie, as if touched by a magic wand—roused and electrified the continent. The public mind came at a bound to the conviction that the Federal Government ought to be disconnected from the banks, and from their paper currency. The conviction was general, almost unanimous, among the Republicans; a few only among them were for trying the local banks and their paper once more, as if three failures in twenty-five years were not sufficient; as if another failure was not inevitable, and as if another failure must not end in the restoration of a National Bank, with the restoration of the political party, with all their principles and measures, who go with that bank. The Federal party, of course, with some honorable exceptions, oppose the disconnection. They oppose whatever the Republicans propose, no matter what. They were opposed to the junction of the Government with the State banks three years ago, when those banks were doing well; they are for compelling the Government to stick to them now that they have done ill. This is the state of parties: the Republicans almost universally for the divorce of Bank and State; the Federalists, almost universally, for the conjunction of Bank and State. In this division and subdivision, I find myself with the mass of my own party, and with the Administration itself. I find them now where I was many years ago. I believe them to be right, and shall stand by them, and abide their fate. If they sink in this contest with the banks and the Federalists, I shall go down with them.

I stand upon the two principles of the bill—1. The United States to use the money of the Constitution in the receipts and disbursements of the Federal Treasury; 2. The United States to receive their own money, to keep their own money, and pay out their own money. I stand upon these two principles; I cannot surrender them, though I could consent to take them one at a time. The details of the bill are open to compromise. There I am ready to give and to take—to surrender and concede—to do every thing, consistent with the pre-

servation of the principles, to conciliate the support, or to purchase the forbearance of friends. In some particulars I would prefer a change of details; I would prefer additional branch mints in place of the Receivers General—mints that would answer the double purpose of keeping the money of the Government, and coining money for the people.

The principles of the bill I hold to be founded in the clearest reasons of propriety, and constitutionality, and sustained by the fullest voice of trial and experience. Every Government should be, at all times, the master of its own property,—money and every thing else. A Government should not be put to the delays and contingencies of asking for its own, much less of suing for it, and above all, of having to sue where State laws may interpose to delay, or to defeat the recovery. The revenue of a Government is its daily support,—it is like the daily support of a family,—it cannot be stopped, or withheld, without affecting the existence of the Government itself. Every Government upon earth, our own excepted, puts its money where it can go and take it. All other Governments put their money where they can command it, where they can seize it, if necessary, and punish a delinquent holder. We do the same with all our property, except money. Our ships and forts, our military and naval stores, our public lands, and public edifices, are all in our own custody. We do not have to beg, or bring suits at law, to recover their possession. We keep them, subject to our own order, because the existence, and the operations, of Government, which holds civil society together, and prevents mankind from relapsing into anarchy and violence, will not admit of interruptions and delays. If this is true of property, how much more true is it of money—that daily pabulum, without which Government cannot exist a day? This fundamental axiom, true of every Government, is pre-eminently so of ours. Our Government is complex—State and Federal—and each should have their own Independent Treasury. The present Constitution grew out of the Independent Treasury question. Other causes helped on to the formation of the Constitution; but a revenue of its own—a revenue independent of the States, and of course independent of corporations—was the exciting and controlling cause which led to its adoption. The whole history of the confederation, from the close of the Revolution to the year 1789, proves this. Yet where is the Independent Treasury, where is the Federal Treasury, if corporations are to hold our money, may refuse to pay it when they please, and shall be backed by their State Legislatures when they refuse to pay? To commit our money to the custody of such corporations, is to forego the end for which the Federal Government was formed; to commit it to such corporations again, after the experience which we have had, and during the experience which we now have, is to repeat a folly for which we have been three times punished, and to exhibit a fatuity which announces a doom to destruction. Upon the clearest principles of reason, of constitutional obligation, and of experience, the Federal Government is bound to take into its own hands the keeping of its own money. This is one principle of the bill; the other is the use of hard money in the receipts.

and disbursements of the Federal Government. This principle is the ally of the other. They go together, and can hardly live separately. To receive the promissory notes of the banks, is to receive nothing but their promises to pay money. If they break that promise, the only resource is to take what they choose to give; that is to say, more broken promises to pay money, or to sue them; and, if suit is brought, State laws may interpose to protect the bank, and to compel the Government to take its pay in more broken promises to pay. Far better to take the promissory notes of the citizens. They would not refuse payment, as the banks have done; and if they did, the State Legislatures would not interpose to shield them.

The Federal Government ought to use the money of the Federal Constitution. Its duty to the Constitution requires it to do so; its duty to the country equally requires it. By using that money, two great advantages would always result: 1. The Government would always have in its coffers real money; 2. The country would always possess an abundant supply of the precious metals. Certainly the Federal Government owes great duties to itself and to the country, in relation to the currency. It should not abdicate those duties, nor delegate them. It should not expel specie from the country by abandoning the use of it. The experience of forty years shows that a cessation of demand for specie, on the part of the Federal Government, banishes gold and silver from the country. This was the result both under the first and second banks of the United States. On the other hand, the experience of five years shows that a demand for specie by the Federal Government attracts it to the country; that we have increased our supply from twenty to eighty millions in five years, under that demand; and that a continuation of the demand will continue the increase until the country is adequately and fully supplied. This is the way to regulate the currency. A hundred and twenty or thirty millions in gold and silver will regulate the banks and the exchanges; and that amount can be attained, and ought to be attained, in six or seven years, by a continuation of General Jackson's policy.

An adequate supply of specie for the country, is one of the highest duties of the Federal Government. By the Constitution, it is made the conservator of specie; by abdicating its duties, it had banished from the land that which it was bound to preserve. The States delivered to this Government, in 1789, an adequate currency of gold and silver. The first revenue law ever passed by Congress, enacted that the revenue should be paid *in gold and silver coin only*. There was then no complaint of scarcity. General Hamilton's order for evading that law, did not turn upon the ground of scarcity of the precious metals, but on the plea of convenience in handling bank paper, and upon the policy of increasing the quantity of bank circulation. There was no complaint of the inadequacy of specie until the first Bank of the United States had banished it from the country, as Mr. Madison and others predicted that it would do.

Large mercantile payments always have been, and for ever will be, made in bits of paper, representing masses of property. He is a ninny, or

believes others to be ninnies, who talks about merchants spending their time in counting piles of dollars, one by one. If masses of specie are to be paid, it is done in bulk, in kegs, or bags, or by weighing, or by a transfer of credit on the books of a bank. Bills of exchange, receipts, or certificates, representing masses of cotton, tobacco, rice, grain, flour, beef, pork, lead, cattle, &c. make the great payments. So far as large mercantile operations are concerned, specie is but an inferior part of the means of payments. With the body of the community, it is different. Specie is, or should be, the main part of their payments, and with every Government, it should be the sole instrument of payments. As to banks, it is in vain for them to expect to live upon confidence. Those that attempt it will share the fate of the Irishman's mare, which her master undertook to make live upon a straw a day. One-third in specie, for all its liabilities in circulation and deposits, is the rule of the Bank of England. With less than that proportion the bank holds herself to be unsafe; with that proportion in hand, she expects to make up the other two-thirds, if ran upon, out of the debts due her, her credit to borrow, and Government aid in exchequer bills. Scarcely a bank in the United States undertakes to come up to the Bank of England standard of safety. The Legislature of Louisiana is the only one that I have seen attempting to establish that standard.

There is a concerted attempt at this time in the United States to decry specie; to ridicule it, to villify it, to suppress it, and to banish it. Gold, especially, is the object of the villification of this party—that gold which stands first named in the Constitution of the United States, and which, from the earliest records of the human race, has been the chosen money of the world. I do not envy that party their assiduous labors in the defamation of the precious metals. I do not fear the success of their exertions. I do not fear even that they will ever succeed in making themselves turn their backs upon the smallest piece of gold or silver which is offered for their acceptance. The necessity of an adequate supply of the precious metals is known and felt by the whole human race. It is the only money which it is safe for the body of the people to handle. It is the main basis for the operations of a bank; and it is the only standard or measure of values. One of the highest functions of money is to measure values. That is a function which paper cannot perform. The measure of values must itself possess intrinsic value, and must itself be free from sudden or material variations of value. It must have a uniform, and a universal value. As well might you attempt to make a measure of lengths out of that which has no length, a measure of weights out of that which has no weight, a measure of quantities out of that which has no capacity to hold any quantity, as to endeavor to make a measure of values out of that which has no intrinsic value. The precious metals alone can constitute a measure of values; paper money can measure the value of nothing, not even of itself; its own value is eternally measured by its relation—by its convertibility—into specie. Its want of intrinsic value, its liability to be made in any quantity, or to be diminished in any quantity, and its lia-

bility to total destruction, entirely disqualifies it for the high function of a measure of values.

The Constitution of the United States has vested Congress with authority to prescribe a uniform standard of weights and measures for the whole Union. Congress has not exercised that power; but the common feeling of the people has supplied the defect of Federal legislation. In all parts of the Union, they use the same weights and measures. A pound is a pound, a bushel is a bushel, a yard is a yard, from one end of the country to the other. The Constitution has also vested Congress with authority to regulate the value—not of *currency*, for there is no such word in the Constitution, nor any word which can be made to include *paper currency*—but to regulate the value of the coin of our own mint, and also of foreign coin. This power for forty-five years, that is to say, from 1789 to 1834, was so erroneously exercised as to under-value gold six and two-thirds per cent. The consequence was the total exclusion of gold from our circulation. In 1834 this error was corrected; and the consequence is, that gold is in the full process of restoration to its constitutional place in our currency. With respect to foreign coins, instead of making them current, as the Constitution intended, they were nearly all excluded from circulation by the act of 1819. This false legislation was also corrected in 1834; and foreign coins now enter largely into our circulation. The year 1834—the second year of General Jackson's second Presidential term—will be an era, a proud and glorious era, in the history of our constitutional currency. It will be the era of the reformation of the metallic currency. The year 1836, the last year of General Jackson's second term, will be another glorious epoch in our financial history. It was in that year that the promissory notes of a corporation ceased to be a lawful tender to the United States in discharge of all taxes, debts, and duties due to her. The year 1836 is the epoch of this deliverance of the Federal Treasury from the dominion of a corporation; but the year 1832 divides the honor with it; for in that year was the blow struck—the heroic veto applied—which effected the deliverance. Three noble acts have been performed; but a fourth remains to be achieved to consummate the duties of the Federal Government in relation to the currency. The error of Mr. Madison's administration, at the expiration of the existence of the first Bank of the United States, must not be repeated. The notes of the local banks must not be made a national currency! That error ruined the currency in 1814 and in 1819, and the repetition of it again ruined it in 1837. Three times, in twenty-five years, has that error deprived the Treasury of its revenues, the country of a measure of values, and rendered nugatory the uniformity of weights and measures, in which the whole Union had agreed. The effect upon the community has been the same as if every seller had possessed the privilege, and had exercised it, of altering his weights and measures at his pleasure; lengthening or shortening his yard stick; enlarging or reducing his bushel; diminishing or increasing his pound weight with every sale, and precisely as it suited his own interests in every instance. This is an enormous and a crying evil, the parent

of unnumbered impositions upon the whole community, and especially upon the weaker part. In paying double for the necessities of life, the effect has been precisely the same as if the purchaser had received but half a pound, half a yard, and half a bushel, when he paid for a full pound, a full yard, and a full bushel. But, sir, I drop this disquisition. The pursuit of it would carry me too far, at the present moment, into the workings of the paper system. I drop it with remarking, that the arbitrary debasement of the current coin, formerly practised by some European Kings, and latterly by some Turkish Sultans, was innocent and harmless, compared to the mischief done in our own country by the loss of a measure of values, and the consequent, or equivalent, destruction of all the measures of quantities. The thoughtless and inconsiderate man, invested with no legislative character, may say, that paper money is lighter than gold and silver; that paper will buy any thing that gold and silver will buy; that he does not care what his money is made of, provided it will pay his debts. The unreflecting man may talk in this way; but the statesman must look at money in its exalted character of a measure of values; and if that measure is lost or destroyed by his management, he commits a great error, and inflicts a great injury upon the entire community. We have lost that measure. The Federal Government has occasioned its loss. The use of paper at the Federal Treasury has banished coin—has set an example which has been followed by all the States, and by every individual—until paper has banished coin, and made itself a forced tender in every payment. Paper money is now the actual currency of the land. It is the medium of all payments; and, being no measure of values, there is no stability of prices. Every thing fluctuates. Trade is subjected to the hazards of gambling. The remedy for this evil—the means for the re-establishment of the measure of values—is for the Federal Government to use the true measure itself. In supplying itself with the true measure, it will cause the whole country to be supplied. No nation can saturate itself with gold and silver more easily than the United States. The hundred millions of exportable products, annually sent abroad—to say nothing of domestic mines, and the supplies brought in by emigrants—will bring back an annual supply of 12 or 15 millions. We have but to invite its presence, by creating a demand for it, and 8 or 10 millions of this amount will annually remain with us until the national supply is full and complete.

Mr. B. would examine some of the objections to the proposed bill. The able speeches which had been delivered by the numerous friends of the measure abridged his labor in this respect, and he should confine himself to brief notices of a few of the principal points. At the head of these objections stands the imposing assumption that the passage of the bill will inflict a severe wound upon the State banks, and entirely disable them to resume specie payments. This assertion is made by the whole body of the speakers on the opposite side; but they deal in assertion only. No explanation is given to justify it, and to show how it is that an array of eight hundred banks is to be thus myste-

riously and powerfully affected. The amendment of the Senator from Virginia [Mr. RIVES] only proposes to distribute the deposits among twenty-five banks, so that seven hundred and seventy-five would remain unprovided for, and, consequently, subject to ruin under that plan. But there is a readier answer to this objection. The bill only proposes to remit these banks to the condition they were in under the dominion of the Bank of the United States. They were then in a complete state of divorce from the Federal Government, having no share of the public deposits, or any share in the privilege of paying the Federal revenue with their notes. They were contented with that condition, and affirm that they flourished under it; and such of them as wish for the establishment of a National Bank, are still in favor of that condition, and of being divorced from the Government. The only difference is that they will submit to a divorce imposed by the by-laws of a Federal Bank, but will resist it coming from Congress. This answer is enough to explode the objection. It not only puts an end to it, but makes it ridiculous. No further answer is necessary to be given; but a further answer is at hand, and will be given. It comes from an authoritative source. The report of the committee of the banks of New York, on the resumption of specie payments, made on the 28th of February last, and approved in a general meeting of the banks of the city, holds this language:

"In contemplation of the resumption of specie payments by the banks of the city of New York, on or before the tenth of May next, and under the uncertain contingency of a simultaneous or early resumption by the banks of some of the other great commercial cities, it is incumbent on those of New York to adopt all the measures within the limits of their resources, which may enable them not only to resume, but also to maintain specie payments."

"The fall in the rate of foreign exchanges, now considerably below par in our city paper, renders it absolutely certain, that no exportations of specie can take place, and more than probable that a considerable influx may be expected. This fact, now indisputable, must have an effect on public opinion, and ought to remove the apprehensions of those who may have believed our efforts for an early resumption premature. Secure, as all the banks in the United States are, against foreign demands, we are justified in expecting their co-operation. If this is obtained, we do not perceive any obstacle to an early, easy, and safe resumption of specie payments."

"A continued suspension, on the part of some of the other great commercial cities, can alone render the resumption on our part difficult, and may prevent a free application of the legitimate resources of New York. Yet, such is the favorable relative state of the balances between this and the other parts of the Union, that for the present, at least, but little need be apprehended from the effect of natural causes. Of deliberate acts of hostility, as there could be no motive for such, there should be no apprehension on our part. We trust that, supported by the community of this city, and by the State, the banks will be able to surmount all obstacles, and on or before the tenth of May to resume and maintain specie payments."

From this authentic report, it is seen that the banks of the city of New York have determined to resume specie payments on or before the 10th day of May next; that they ask nothing but the co-operation, or forbearance, of other banks, and are afraid of nothing but the deliberate hostility of some non-resuming banks in other cities, that is to say, Mr. Biddle's bank in Philadelphia. This is the language of the banks in New York. They ask nothing, and they fear nothing, from the Federal Government. They fear nothing from the Sub-Treasury bill. They declare their only danger to be in the conduct of the non-resuming banks of

some neighboring cities. Now, which is entitled to most credit in this contradiction of opinion, the New York banks, or the politicians on this floor? Certainly it is a case in which the opinion of the banks must prevail. They know their own condition; they know the condition of others; they have the work of resumption to perform, and they say they can perform it. If they can, all other banks must be able to do it likewise, or must have imposed falsehoods upon the country when they stopped payment last May; for all then declared that they did not stop from their own weakness, but from the example of New York; and that they would be ready to resume whenever her banks did. This was the language of all, and of none more publicly and positively than that of Mr. Biddle's bank. The banks, then, upon their own showing, are all able to resume, and it is not for politicians, who cannot be admitted to know the condition of the banks as well as the banks do themselves, and who have their own political objects to accomplish by prolonging the suspension—it is not for them to discover excuses for the future failure of the banks in the acts of a Government, the whole of whose acts are, in their eyes, full of folly and ruin. Even if these politicians stood before the country as sound judges, their judgment could not come in competition with the opinion of the banks. But they do not so stand. They do not stand as sound judges, but as frail and fallible partisans, whose habitual vaticination of ruin from every act of the Government—whose thousand and one mistakes heretofore committed—whose burning desire to get into power by destroying the credit of those in power—must reduce them to the condition of permanent prophets of woe, predicting destruction, as a matter of course, from every thing which their adversaries do.

The establishment of a Treasury bank is the next great objection to the bill. It is declared to be a Treasury bank; and then a frightful picture of the evils of such a bank is drawn by each speaker, and held up to terrify the people. I thank them for this objection; it kills off four others which this party have made against this Administration, and on each of which they have insisted with all the vehemence with which they now urge this one. It kills off the whole charge of intending to establish a National Bank in New York; the whole charge of intending to impose the safety fund system upon the whole Union; the whole charge of intending to govern the country, by a corrupt league of pet banks; and the whole charge of intending to impose an exclusively metallic currency upon the country. The establishment of a Treasury bank is inconsistent with these four charges, and, being the last charge, it kills off the others. In this, it does us good service. It shows what stuff the gentlemen's charges are made of. It kills off four of their most serious charges at a blow; and now we will kill it off, and so finish five together. This can be done with two words; in the first place, there is not one feature of a Treasury bank in the bill; in the second place, I pledge myself to vote to eradicate it, if gentlemen can show me a single feature.

Sensible that there is nothing in the bill to justify the objection, gentlemen fly off to suppositions, and

charge a future design to erect a Treasury bank upon the foundation of an Independent Treasury, and to furnish the Government with boundless supplies of money, by the issue of exchequer bills in the shape of Treasury notes. To these imaginations of the gentlemen, I can only oppose positive denials, and wait for time to perform its office upon this accusation as it has done upon all that they have made for eight or nine years past. For one, I shall never vote for such a bank, nor for another issue of Treasury notes.

A third objection is to the insecurity of the public moneys in the hands of the Government agents. Gentlemen suppose that the moneys will be much safer in the keeping of the banks, than in the custody of the officers appointed by the Government to keep them. This is an objection which both reason and experience rejects. Reason teaches us that a number of men acting together, will do that which each one of them, individually, would scorn to do. Thus, a board of bank directors would do an act which each member of the board, in his own individual case, would spurn to do. Take the case of the thirty millions of public deposits in the hands of the banks in May last. They were in the custody of boards of directors; and, as boards, the directors acted in refusing the restitution of these deposits to the Treasurer of the United States, and to the disbursing officers in whose names they stood. But suppose these thirty millions had been deposited with the members of the same boards in their individual capacities, their personal honor, to say nothing of their bonds and securities, bound for the restitution—they would have restored the amount to the last dollar, and felt the deepest humiliation at the slightest delinquency. Such would have been their conduct. An individual is a safer depository than a board; and far better would it be to confide the public deposits to any one single director of a bank, than to the whole together as a corporation. A corporation has no soul and no conscience: an individual director has both; and these, with his bonds and securities, would be the highest pledge for his fidelity. This is what reason teaches us. Now for experience. We have Treasurers of the United States, and but one Treasurer at a time. These Treasurers have passed through their hands, counting from the foundation of the Government, about eight hundred millions of dollars. Has any part of these eight hundred millions been lost in their hands? No: not one cent! Again: we have Treasurers of the Mint, one at a time. These Treasurers have had the actual keeping, counting, and paying out, of seventy-three millions of dollars in gold and in silver. Has one piece of it been lost in their hands? No: not one! Under the bill before us, the mints are to be made depositories of the public moneys. Experience shows them to be safe places; their peculiar occupation makes them proper places; and I wish we had three or four more of them, and then all the public moneys might be deposited in them.

But gentlemen, in support of their objection, made an assertion, and started an inquiry which has ended in the total overthrow of their position. They ventured upon a question of fact—a question of figures and records—a question to be answered by documentary evidence. It was as to the

comparative amount of past losses; whether the Government had lost most by using banks, or by trusting to their own fiscal agents; and in this inquiry gentlemen were bold in their affirmation that the comparison was to the disadvantage of the Government agents, and entirely in favor of the banks. How unfortunate for their argument this attempt to do honor to the banks! It has led to official inquiries at the Treasury Department, and here is the answer. It is a communication from the Secretary of the Treasury, dated February 28th, of the present year:

"In answer to the first inquiry, as to 'the amount of balances against all banks which have been used as public depositories that is not secured, or will probably be lost, adding thereto the estimated loss that has accrued by taking on public account depreciated bank notes,' I would observe, that it is computed those balances so lost will be about \$1,000,000, and the loss by taking such notes about \$5,500,000; making, in the aggregate, \$6,500,000. This is without the addition of any interest, as are the subsequent statements. If interest was cast on the above sums, the aggregate would exceed \$13,000,000.

"The data on which this computation rests are, that the nominal balances against banks that have been public depositories, and in default, are now, though excluding what stands to the credit of disbursing officers, about \$7,000,000. Of this sum near \$1,076,000 stands against old bank depositories, and the residue against recent ones. The loss to the Treasury by taking depreciated notes in 1814, '15, '16, and '17, is estimated at quite \$5,500,000; and there is now on hand of such notes, then received and never paid away or collected, about \$30,000 more, as is more fully detailed in a report to the Senate from this Department, made the 1st instant. These constitute an aggregate of \$12,580,000."

To these losses from local banks is to be added the sum of \$233,422, for the principal and interest of dividend due from the Bank of the United States, and withheld on a pretexted claim for damages on the protested bill of exchange on the French Government. The answer to the second branch of the inquiry stands thus:

"In answer to the second inquiry, as to 'the amount of balances against all kinds of collecting officers which has not been secured and will probably be lost,' I have, after careful examination, computed that it will not exceed from \$9,000 to \$1,200,000. From the long period covered by these balances, connected with their great number, it must be obvious that the amount which has been wholly lost cannot, in many cases, be ascertained with accuracy.

"But the data for this estimate are as follows: The nominal amount of such balances is about \$2,500,000. Schedules of most of them late as October, 1837, with certain explanations, may be seen in a report to the House of Representatives, made by this Department on the 15th January last; and another, with more detailed explanations, is now preparing, in conformity to a resolution of the Senate, passed the 15th instant. From the whole amount, there should first be deducted a sum for what has been ascertained to be probably secured or paid. This ranges from \$1,000,000 to \$1,150,000.

"Of the nominal balances, a further sum, equal to near \$300,000, has never been put in suit; and, in most cases, this is believed to have arisen from a knowledge that nothing would appear to be due when the vouchers were all offered, and the allowances made which were considered legal."

Thus stands the comparison between the banks and the collectors and disbursing agents; and the difference is more than five to one in favor of the collectors and these agents. In both instances, the comparison goes back to the foundation of the Government, and it is to be observed that the losses among the collectors almost entirely accrued under the old system, before the four years' law took effect—that law which brings the accounts of every moneyed agent to a close every fourth year. This law, with other regulations at the Departments, have nearly put an end to losses by collectors. In the War Department, in the disbursement of one hundred millions in the last fifteen years, there has not been the loss of a dollar. The other Depart-

ments have also been greatly improved. If the comparison had been confined to the last fifteen years, since the new law and the new regulations have been in force, it would have resulted still more to the discredit of the banks and to the honor of the Government agents. But it is not by the losses appearing on the Treasury books that this great question is to be answered. Those books only show the direct losses to the Government from the use of bank paper and banks as depositories; the indirect losses to the Government, and the losses to its creditors and to the whole community from the use of depreciated paper, must also be taken into the account; and then the mischiefs from the use of these banks and their paper money appear in their enormous, incalculable, and appalling amount. Gentlemen of the Opposition have recurred with great commendation to the report of a committee to the House of Representatives, of which Mr. McDuffie was chairman, some seven or eight years ago, to show the evils of a Treasury bank—that phantom of which there is no existence any where but in their own imaginations. They produce his report with every commendation; of course they cannot object to its authority; and here is a paragraph taken from it which should begin to open their eyes, or the eyes of the country, to the magnitude of the losses from Government reliance on local banks and their paper money.

"The Government borrowed, during the short period of the war, eighty millions of dollars, at an average discount of fifteen per cent, giving certificates of stock, amounting to eighty millions of dollars, in exchange for sixty-eight millions of dollars in such bank paper as could be obtained. Upon the very face of the transaction, therefore, there was a loss of twelve millions of dollars, which would, in all probability, have been saved, if the Treasury had been aided by such an institution as the Bank of the United States. But the sum of sixty eight millions of dollars received by the Government was in a depreciated currency, not more than half as valuable as that in which the stock given in exchange for it, has been, and will be redeemed. Here then is another loss of thirty four millions, resulting incontestably and exclusively, from the depreciation of the currency, and making, with the sum lost by the discount, forty-six millions of dollars."

Mr. McDuffie says, and says truly, in his report that this loss of forty-six millions was only one item in the catalogue of losses—that the loss to the community, and to the Government creditors, from using depreciated paper was beyond calculation. His remedy for these losses was a National Bank; mine is an adequate supply of gold and silver, and especially of gold; and if it is asked how much gold will be sufficient, I answer, that so far as the currency of a National Bank is concerned, twenty odd millions would be enough; for that is the maximum amount of currency that she ever furnished. A supply then of twenty odd millions of gold would meet all objections arising from the withdrawal of her currency, and that amount will be in the country before the present term of Mr. Van Buren's Administration expires, and double that amount in seven or eight years.

The loss to Government creditors was incredible from the use of depreciated paper during the late war. Even the Treasury notes were depreciated, in some parts, as low as 33½ per cent. The loss to creditors from the use of bank notes, since May last, has also been great. The public moneys in the hands of the deposit banks were then 30 millions; the Government has been paying it out ever since, to the great profit of the banks, to the immense dis-

credit of the Government itself, and to the heavy loss of many of its creditors.

But the money test cannot complete the comparison between the two classes of agents. Other considerations of great weight, and some of still graver character, belong to the subject. First, in point of amenability. The Government officers are amenable to the Government, subject to its laws and its orders; liable to summary proceedings for default, and to be pursued by execution wherever they go, and responsible in person and in property, themselves and all their securities, for all that is owing by them. Not so with the banks. They are the creations of the State Governments, subject to State laws, and having great influence over the enactment of State laws which concern themselves. The States may protect them, and have protected them, against the Federal demands. They have passed acts to prevent the recovery of damages which the charters had fixed; and to prevent execution against the banks themselves, unless the creditors would consent to receive his debt in current bank notes. This is what has been done; it is what is now done; and here is the evidence of it.

Mr. B. then exhibited a document, obtained from the Department of State, containing the acts passed by the legislatures of different States since the suspension of specie payments in May last. They were passed in States where there were deposit banks, then holding about thirty millions of public money, standing in the name of the Treasurer of the United States, or in the names of disbursing officers. These acts, in some instances, reduced the damages which depositors and holders of notes were entitled to recover; and, in some instances, denied execution against the bank, unless the creditor would endorse upon it that current notes should be receivable. Mr. B. said he had seen no instance in which these acts made any exception in favor of the United States; and he read the titles of several of the acts, and the names of the States in which they were passed, and referred to the Senators from those States to say whether there were any exception. No Senator answering in the affirmative, Mr. B. resumed, and said that here was an insurmountable objection to the future employment of State banks as public depositories, or to the reception of their notes in the payment of the Federal revenue. The States had interposed between the Federal Government and the holders of its moneys. They might interpose again and for ever. By so doing, they injured the United States, and laid a ground for complaint and collision with the State Governments. Every consideration of harmony and mutual independence should forbid the possibility of such occurrences for the future.

Again: The deposit banks, whether a National Bank or catalogue of State banks, were the friends of high taxes and low appropriations. They went for surpluses, for the accommodation of themselves and a few of their friends. They went for taxing the nation to the uttermost, and stinting appropriations to the minimum, that enormous surpluses should remain in their hands for loans to themselves and friends. He (Mr. B.) had a table in his hand, obtained from the Treasury Department, and showing the annual amount of balances in the Treasury from the foundation of the Government

to the present time, and which he would read. It was valuable for two purposes: 1. To show how little need the Government has for large balances; 2. How large these balances became when the banks were powerful and the Government connected with them. In the first years of the Government, the banks were few in number, and comparatively weak; and then the surpluses stood thus:

Year.	Balance.
1789 - -	\$28,239
1790 - -	570,023
1791 - -	973,905
1792 - -	783,444
1793 - -	753,661
1794 - -	1,151,924
1795 - -	516,442
1796 - -	888,895
1797 - -	1,021,899
1798 - -	617,451
1799 - -	2,161,867
1800 - -	2,623,311

Thus, during this period of twelve years, when the National Bank had but ten millions of capital, and State banks were few and weak, the average surplus for twelve years did not amount to one million of dollars. Now for a different picture. Behold the years 1815-'16-'17.

Year.	Balance.
1815 - -	13,106,592
1816 - -	22,033,519
1817 - -	14,989,465

These three years covered the brief season of bank omnipotence after the conclusion of the late war. The second National Bank, with its thirty-five millions of capital, was then just created; State Legislatures littered local institutions by the forty at a time. Bank influence was predominant every where; and no where more powerful than in Congress. Its irresistible influence here was well described at that time by the intrepid and sagacious Mr. Randolph. This is what he said:

"Every man you meet, in this House or out of it, with some rare exceptions, which only served to prove the rule, was either a stockholder, president, cashier, director, attorney, clerk, or door-keeper, runner, engraver, paper maker, to a bank.

We are tied hand and foot, and bound to conciliate this great mammoth," [the banking interest.]

Such was the power of the banks at that time; and the consequence was, an average surplus of near seventeen millions per annum. To be sure it only lasted three years; and the reason was, that the banks only ruled the country for three years. It was a short ride, and a merry one; and now for a plunge. Let us see the next four or five years.

Year.	Balance.
1818 - -	1,478,526
1819 - -	2,079,992
1820 - -	1,198,461
1821 - -	1,681,592
1822 - -	4,237,427

Here the average is reduced to about two millions per annum; and why? Because the banks had lost their dominion over the country and the Government, and had neither the means nor the influence to inflate the Treasury. It was the season of their first catastrophe in time of peace; and every thing went down in proportion to their own great fall. It was the season of a general collapse. Let

us pass on to the next ascension, to the next perihelion, of this ballooning of the banks. About the year 1833, when the National Bank had lost the prospect of a re-charter, but expanded its business, and when local banks were increased in unprecedented numbers, and as many as ninety of them became the depositories of the public moneys, their power and influence again became immense. The result, on the Federal Treasury, was:

Year.	Balance.
1833 - -	11,702,905
1834 - -	8,892,858
1835 - -	26,749,803
1836 - -	46,708,436
1837 - -	35,759,630

Here is another season of five years of great power in the banks, and of close connection with them by the Federal Government. The result is, an average balance, that is to say, an annual surplus, of about twenty-seven millions of dollars! What a comment upon the connection between Bank and State! A connection which exhibits the Federal Treasury as a mere appendage to a rising, flying, plunging and falling balloon. We who have been here for some years have seen the inside working of this connection, and have seen the votes which created these enormous surpluses; votes to promote all taxation—to prevent all reduction of taxes—and to prevent all possible appropriations, even for the defence of the country, and for the completion of the fortifications; and we have seen these votes regularly coming from the friends of the banks. To complete the picture, it is sufficient to say that the banks had their second catastrophe, in time of peace, in May last; and that now the balance in the Treasury is low enough!

Mr. B. said, he had for years pointed out the Bank of the United States, while the depository of the public moneys, as the ally of taxes, and the enemy of appropriations; he had made the same remark upon the local deposit banks almost as soon as they were in operation; and he had now given the evidence to show the justice of the application of this character to them both. It was a most fatal objection to all connection with those banks; an objection from which the Government agents would be wholly free. With the mints and individual officers, to keep the public moneys, there would be no interest here to create surpluses for the benefit of banks and their favorites.

A third answer to this objection is, that it goes to the form of our Government, and impeaches the capacity of the people to administer their own Government. The objection is, that the agents selected by the Government, and responsible to it, cannot be trusted to keep the public moneys; and, therefore, the custody of the money must be confided to bank directors, who are not appointed by the Government, nor responsible to the people. This is the objection; and, upon its face, it impeaches the capacity of the people to administer their own Government, and to take care of their own property. This is an inevitable inference; and, perhaps, another inference will also result; namely, that if banks are necessary to the Federal Government, she will have the same power to create as to adopt these institutions.

A fourth objection made to the Independent Treasury is, that it will hoard specie—that it will cause the Government to become an immense miser, hoarding in the deep recesses of vaults, and confining with bolts, bars, and safes, a vast accumulation of gold and silver. Sir, the table of balances which I have read explodes this objection. It shows that the Government has no balances of any consequence, except when it is connected with banks. When free from that connection, or when the banks are too weak to exert an influence over the public counsels, the surplus on hand is next to nothing; a million per annum in the earlier stages of the Government, and two millions per annum in later times. The table shows how little need there is for any surplus; for it is notorious that the Government machine worked far better when it was a *touch-and-go* business with the Treasury, than it ever did with its ten, twenty, thirty, and forty millions of surplusses. There will be no surplus to be hoarded if the Government can succeed in breaking its connection with the banks. Economy can then be practiced, as well as professed. It can then be practised by those who are really in favor of it.

Mr. B said, that at the extra session he had given it as his opinion that the payment of the Federal revenues in gold and silver would not occasion more than four or five millions of dollars to be taken out of circulation; in other words, that four or five millions would accomplish the annual payment of the whole revenue. A further study of the subject, and a view of the table of balances which he had just presented, induced him to believe that two or three millions would be sufficient. One million was found to be sufficient in the first twelve years of the Government, and two millions in the five years from 1818 to 1822, inclusive. The same amount would have been equally sufficient at all other times. He was against surpluses; he was against any financial calculation for leaving any amount whatever in the Treasury; he was opposed to any scheme of finance which had for its basis any reserve of money in the Federal Treasury. This was an old subject with him [Mr. B.] He had made his acquaintance with it twelve years ago. He had then tried his young hand, for the first time, on a financial subject, and on resolutions submitted by himself to repeal so much of the Sinking Fund act of 1817 as directed a reserve of two millions per annum to be kept in the Treasury. He had then shown it to be an unnecessary precaution; that it was far better to cut down taxes to the estimated expenditure, and invest the Government with a contingent authority to borrow the two millions in the event of a need for it to meet appropriations before Congress would assemble. This was his opinion twelve years ago; it was his opinion now. He was opposed to any plan for leaving a surplus dollar in the Treasury; he was opposed to the issue of Treasury notes to supply deficiencies; he was for the contingent authority to borrow, if necessary, a small sum to meet appropriations, and then paying it off out of the first surplus. In this way, and by increasing and diminishing the amount for the flexible objects of expenditure, such as fortifications, ships, harbors, light-houses, &c. the small, occasional, and alternate deficiencies and expenses in the revenue could be

easily, safely, and economically met and provided for.

Not specie enough in the world to supply the demand which this bill would create, and not time enough in the year to count it, if there was enough, is another of the objections to this bill. This is relied upon by many speakers, and grave calculations are gone into to show that the three hundred and sixty-five days in the year would be too short a time to suffice for the counting in and counting out the Government revenues, if paid in gold and silver. Sir, there is a species of argument which the logicians call the *argumentum ad ignorantiam*—an argument to ignorance; but this argument goes beyond that, for it is an argument to the lowest degree of ignorance. If any answer was due to it—the counting part of it—it might be found in the act of 1789, when the revenues were directed to be paid in gold and silver coin *only*; and also, in a speech delivered on the floor of the House some years ago, when the collection of the revenues in hard money was so strenuously urged by a gentleman, now so entirely opposed to it.* But no answer is due to it. Every body knows better. Neither individuals, or nations, ever lost time in counting masses of specie. Ordinary sums are counted without loss of time, and masses are transferred by weight, or in kegs or bags.

With respect to the other part of the objection—the impossibility of getting an adequate supply—it is an objection refuted by the experience of all nations, and particularly by our own experience. At the close of the Revolution we had nothing but depreciated paper; in six or seven years afterwards we had an adequate supply of gold and silver. So of France: In 1800 she had nothing but assignats, depreciated as low as our old continental bills. In seven years afterwards she had a specie currency

**Extract from Mr. Webster's speech on the Bank of the United States Charter Bill, February, 1816.*

"No nation had a better currency than the United States. There was no nation which had guarded its currency with more care; for the framers of the Constitution, and those who enacted the early statutes on this subject, were **HARD MONEY MEN**; they had felt, and therefore duly appreciated, the evils of a paper medium; they therefore, sedulously guarded the currency of the United States from debasement. The legal currency of the United States was gold and silver coin; this was a subject, in regard to which Congress had run into no folly. Gold and silver currency, he said, was the law of the land at home, and the law of the world abroad; *there could, in the present state of the world, be no other currency.* In consequence of the immense paper issues having banished specie from circulation, the Government had been obliged in direct violation of existing statutes, to receive the amount of their taxes in something which was not recognised by law as the money of the country, and which was, in fact, greatly depreciated.

"As to the evils of the present state of things, Mr. W. admitted it in its fullest extent. If he was not mistaken, there were some millions in the Treasury of paper which were nearly worthless, and were now wholly useless to the Government, by which an actual loss of considerable amount must certainly be sustained by the Treasury. This was an evil which ought to be met at once, because it would grow greater by indulgence. *In the end, the taxes must be paid in the legal money of the country, and the sooner that was brought about the better.*

If Congress were to pass forty statutes on the subject, he said, they would not make the law more conclusive than it now was that nothing should be received in payment of duties to the Government but specie; and yet no regard was paid to the imperative injunctions of the law in this respect. *The whole strength of the Government, he was of opinion, ought to be put forth to compel the payment of the duties and taxes to the Government in the legal currency of the country.*"

of five hundred and fifty millions of dollars. So of England: In 1819 she had nothing but depreciated paper; Parliament passed an act for the resumption of specie payments, and allowed four years for the banks to supply themselves. In two years the Bank of England reported an acquisition of twenty millions sterling in gold—one hundred millions of dollars—and that she was ready to resume. The same bank now, at this moment, has made an acquisition of six millions sterling—thirty millions of dollars—in the brief space of nine months. In May last, her supply was three and a half millions sterling; in January, it was nine and a half. But to come to our own country. Our custom-house returns show that specie flows in upon us annually in large masses, and either remains with us, or goes off again, precisely as it suits our own policy to retain it or not. Our correct returns of imports and exports of specie go back to the year 1821, and this is the result:

	Imports.	Exports.
1821 - -	\$8,064,890	\$10,478,059
1822 - -	3,360,846	10,810,189
1823 - -	5,897,896	6,372,897
1824 - -	8,379,835	9,014,553
1825 - -	6,150,765	8,797,955
1826 - -	6,880,960	4,704,553
1827 - -	8,152,130	8,014,880
1828 - -	6,489,741	8,242,476
1829 - -	7,400,612	4,924,020
1830 - -	8,155,964	2,178,773
1831 - -	7,305,945	9,014,931
1832 - -	5,907,554	5,656,340

This includes a period of twelve years. The imports for that period amount to the large sum of \$83,356,000. The average import was about seven millions of dollars per annum. If the specie policy of General Jackson had then been in force, a large proportion of this import would have remained in the country; but the paper money policy was then in the ascendant. The Bank of the United States was then omnipotent; and her policy was to export specie, for the double purpose of making a profit on the export, and creating a vacuum at home, to be filled by her own notes; and, above all, to deprive the country of specie, and reduce the local banks to the use of her notes for their capital; so that when she wished to upset the Government, to rule the elections, or to convulse the moneyed world, she would have nothing to do but to order a curtailment of two or three millions a month, and charge it upon any act, no matter what, of the Federal Government. This was the policy which then prevailed, and accordingly, large as the import of specie was in these twelve years, the export was still larger: it was \$84,280,000. Thus, instead of retaining any part of what came in for the use of the country, there was actually sent out about a million more than came in.

The next period of five years shows the effect of the specie policy. The imports and exports for this period stand thus:

	Imports.	Exports.
1833 - -	\$7,070,368	\$2,614,951
1834 - -	17,911,662	1,676,258
1835 - -	13,131,447	5,748,174
1836 - -	12,166,372	4,435,815
1837 - -	10,954,432	7,714,990

Behold the difference! Our imports for five years amounting to sixty-two millions; our exports almost nothing. The average import for the whole five years, including 1837, amounting to about twelve millions and a half of dollars; and our exports, except for the extraordinary year of 1837, only averaging a little over three millions. This is the state of our own experience. It shows that, without any demand for specie, it flows in upon us at the rate of seven millions per annum, but flows out again; that with a demand for it, it flows in at the rate of twelve and a half millions per annum, and nearly all remains with us. This is the effect of a demand for specie for the Federal Treasury. Let that demand continue. Let the Government continue to collect, and above all, to pay out, specie, and in a few years the national supply will be complete. The country will possess as much as it can use, be it a hundred, a hundred and twenty, or a hundred and fifty millions. The supply will find its own level, and the excess will flow off.

These, sir, are the main objections to the bill. They are the principal ones which have been urged. They will not bear examination. Every argument resulting from them is an argument in favor of the bill, instead of being against it. And what is the alternative proposed by those who object to this bill? By the Federal gentlemen the alternative is openly proclaimed to be a National Bank: that is to say, Mr. Biddle's bank; for they mean no other. By a few of the Republicans, a resort to the State banks is the alternative. The Federal gentlemen agree to take this latter alternative for the present—as so much gained towards their National Bank—as a half-way house to that institution. This is candid in those gentlemen. It is candid, if it is not wise. They will go with a few of our friends to the half-way house, knowing that Mr. Biddle can blow up that house any night that he pleases, and that the Chestnut street palace must then become the refuge of the terrified inmates of the demolished stopping place.

Mr. B. would not dilate upon the dangers of this alternative. To learn danger—to take warning—from an enemy, is a maxim of great antiquity, and one which has its full application on this occasion. If neither the conduct of the Opposition, their language, their speeches on this floor, can warn gentlemen, it would seem to be almost in vain to appeal to past experience, to witness the present, or to contemplate the future. The State bank deposit system, with the use of their paper money, has failed us in time of war and in time of peace. It has twice failed in time of peace. It is now in a state of failure. The late deposit banks now owe the Government six and a half millions of dollars, which an empty Treasury in vain calls for. To rely upon them again, is to walk into the pit in broad day with the eyes wide open. Our banking system, always on fallacious principles—always unsolid and delusive—is now becoming worse than ever. It becomes worse daily, and in many instances, is made so on purpose, that another catastrophe may be produced, and then charged upon the Administration. Issuance of small notes, even down to a dollar; issuance of post notes; connection with party politics, and with that party whose connection has been fatal to all its as-

sociates; subjection to the policy of the Bank of the United States, on the part of a great many banks; such is the downward course of our banking system at present. Timely and prudent reformation might save it; but all reformation is resisted and baffled. To make all worse, seems to be the policy of those who have most power over the subject. Under these circumstances, what fatuity in the Government of the United States to connect its Treasury again with these institutions, big with inherent dangers, and beset by a tremendous foe!

I have gone over some of the objections to the plan for an Independent Treasury. I have spoken to some parts of the bill before the Senate; but the merits of that bill are no part of the real question. The contest is for power. Political power is the object of the Opposition—a use of the bill, the means of attaining it—and a panic the grand desideratum. Panics are the aliment of the Federal party—terror their engine for governing the people. The mythological god *Pan* is the divinity of their worship. To him they look for help—to that grotesque and hideous deity, half man and half goat, whose bare apparition in ancient times would put whole armies to flight. This is the tutelary divinity of the Federal party, and always has been. Panics were their resource from the foundation of the Government; and, forty years ago, the French Revolution was what the Republican administrations now are, the great magazine of horrors from which they supplied themselves with “*gorgons’ heads and chimeras dire*,” to alarm and terrify the nation. Mr. Jefferson, in his memoirs, has described that period, emphatically called the Reign of Terror. He has given many pages to the description of it; but declares that no person, who did not witness it, can form any idea of the terrorism with which the Federal party then surrounded itself, and the rudeness and violence with which they browbeat and insulted the Republicans. Some extracts from his description of that period may bring up useful recollections at this time, when the violence of the revived Federal party so far transcends all that was witnessed forty years ago. He says:

“The horrors of the French revolution, then raging, aided them mainly, and using that as a raw-head-and-bloody-bones, they were enabled by their stratagems of X, Y, Z, their tales of tub-plots, ocean massacres, bloody-buoys, &c. to spread alarm into all but the firmest breasts. These transactions, now recollected as dreams of the night, were then sad realities; and nothing rescued us from their liberticide effect but the unyielding opposition of those firm spirits who sternly maintained their posts in defiance of terror. . . . The usurpations and violations of the Constitution at that period, and their majorities in both Houses of Congress were so great, so decided, and so daring, that after combating their aggressions, inch by inch, without being able in the least to check their career, the Republican leaders thought it would be best for them to give up their useless efforts there, go home, get into their respective Legislatures, embody whatever of resistance they could be formed into, and if ineffectual, to perish there as in the last ditch. All, therefore, retired, leaving Mr. Gallatin alone in the House of Representatives, and myself in the Senate, where I then presided as Vice President. Remaining at our posts, and bidding defiance to the browbeatings and insults by which they endeavored to drive us off also, we kept the mass of Republicans in phalanx together, until the Legislatures could be brought up to the charge; and nothing on earth was more certain, than if myself particularly, placed by my office of Vice President at the head of the Republicans, had given way and withdrawn from my post, the Republicans throughout the Union would have given up in despair, and the cause would have been lost for ever. By holding on, we obtained time for the State Legislatures to come up with their weight; and those of Virginia and Kentucky particularly, but more especially the former, by their celebrated resolutions, saved the Constitu-

tion at its last gasp. No person who was not a witness of the scenes of that gloomy period, can form an idea of the afflicting persecutions and personal indignities we had to brook. They saved our country however. The spirits of the people were so much subdued and reduced to despair, that they could have sunk into apathy and monarchy, as the only form of Government which could maintain itself.”

Such, Mr. President, was the terrorism with which the Federal party surrounded itself forty years ago; such its mode of action then; and such its manner of acting on the public mind now. The Presidential election of 1796 was carried by terror, extracted from the French Revolution; the election of 1800 came within three votes of being carried by the same means. The second election of Mr. Jefferson prostrated Federalism—sent it into a state of hibernation far north, and with it the mythological deity of its worship, and the whole machinery of terror and alarm. The appearance of General Jackson, at the head of the list of Presidential candidates, in the winter of 1824–25, and the events of the election of President at that time by the House of Representatives, revived the two primitive political parties—the Republican and the Federal—and with the latter, its distinctive passion for terror, alarm, and panic. From that day to the present, a succession of alarms has agitated the public mind. Raw-heads-and-bloody-bones have stalked in solemn procession over the public stage. First, it was the military chieftain, who was to put an end to the Republic at once, with the sword. Then Congress was to be turned out of doors, neck and heels. Then the liberty of speech was to be put down—to be suppressed by main force: afterwards it was to be choked down by corruption. Then came a fright about pocketing bills. General Jackson did not return the land bill, which was sent to him too late to be returned; and, thereupon, all bills were to be pocketed, and all Federal legislation destroyed. After that, we had the Maysville Road bill veto alarm; and such was the effect of this fright for some months, that many good people believed that there was going to be a general destruction of all roads, and that all travelling would be reduced to scrambling through the woods, camping out at night, and swimming creeks and rivers like otters. Quick upon the heels of this fright, came the National Bank bill veto alarm. Then there was no mistake. Destruction had arrived. National war had arrived. The price of all produce and property was to sink to nothing; every man’s estate was to perish on his hands; black desolation was to sit upon the land. From the contemplation of this ruin, the nation was suddenly roused up to the apparition of the French war. For three months, this spectre of a French war kept its place on the public stage, to the extreme irritation of the nervous system of aged ladies, and with vast expenditure of ink and paper to the peace societies. The arrival of the *gold indemnities* put an end to the fantasies of this poor spectre. These brief and various little panics were preludes to the great one—the deposit-removal panic of 1833–34. This was a panic indeed, not only great in itself, but the prolific parent of a progeny of subaltern alarms. Orators here, and bank screws elsewhere, worked up the nation to a paroxysm of consternation. Great was the terror excited, and great the mischief inflicted. For six months, this chamber was the laboratory of alarm;

the distress flag flying, the tocsin beating, and the alarm guns firing; all the while the Bank of the United States turning the screws on her debtors, to the sound of our music, and, with each scream of its suffering victims, exultingly demanding if the distress had not arrived?

The revolution without bloodshed—the expulsion of this body from its chamber by a military force—and the Protest, which was to wipe out the Constitution—were among the prominent scenes of that magnificent panic. The revolution was, in itself, a curiosity. It began in the middle, carried itself on without bloodshed, and ended without a catastrophe. That it has ended, I myself do know. I know it of my own knowledge, and can tell you how. You remember, sir, we were then informed that, in revolutions, there were no Sabbaths. Now, I have seen Sabbaths since that time myself. I have seen the people at church, worshipping, and keeping the Sabbath. This is conclusive; it is proof incontestible that the revolution has ended. Bloodless, we know it to have been. Without a catastrophe, we know it was. There was no list of killed and wounded; but there were some crippled and lamed—a certain catalogue of Presidential candidates, architects of panic, were gravelled on that occasion. They became what the “safe and solid specie-paying” bank notes are in the Treasury—an *unavailable fund*! They ended with finding themselves *hors du combat*; not horses of combat, as a worthy friend of mine is accustomed to read that French phrase, but stabled animals, withdrawn from the turf, tied up to the rack, solitary and alone, to digest their provender at their leisure.

The Senate expulsion panic, though severe at the time, is hardly to be regretted, on account of the noble spirit which it caused to be developed in this body. When the first tidings arrived of General Jackson’s design to expel the Senate by force of arms, then was seen what stuff our hearts were made of. Incontinently patriotic indignation rose to the highest pitch, and courageous resolutions exhibited themselves in daring forms. Some proposed to go forth, and bravely meet the advancing danger. Others preferred to arm the doorkeeper, the messengers, and the boys with sticks and staves, and to plant them behind the jambs of the doors. Others, like ancient Romans, deemed it more senatorial to abide the event in a sitting posture, not in curule, but in their leather back chairs. While still in this fearful condition, the portentous Protest arrived, to heighten the exciting scene, to multiply its perils, and to superadd alarm for the safety of our beloved Constitution to the personal consternation we endured on account of our own necks and limbs. How the Senate became relieved from this double peril is matter of history, which the tongue of eloquence has already immortalized on this floor, and which the pen of truth will faithfully transmit to a remote generation. Virginia came to the rescue! Hanover county did the business! We all remember that day when an orator of this body, rising in his place, announced to us the glorious results of the precinct elections at Long Tom, Slow and Hungry, Negro Foot, and Hell Town; and concluded with a declaration that he had heard the last knock of the hammer on the last nail in the coffin

of Jacksonism. At this annunciation our spirits rose. The Senate breathed freer and deeper. We all began to feel like Brutuses, ready to brandish high our gleaming steel, and call on liberty, and bid the fathers of their country hail! for, lo, the tyrant down, and we again all free. But, alas! the mutability of human events. quickly we found ourselves in the condition of the poor fisherman in the Arabian Nights, who had corked up the terrific *genie* in a bottle, from which the giant spectre had emerged to fill all space with the expansion of his boundless form, to overshadow the whole earth with his endless height, and to menace the luckless fisherman with instant annihilation. So of the Senate, and its confined Jacksonism. We had it in the coffin; we nailed it up; we were sure of it. We considered Jackson done for ever; yet he reappeared on the political stage with more power than ever, and with such effect upon the vision, that those who affirmed to us on this floor that they saw him confined, now declare that he is still President of these United States, ruling the country with a rod of iron, and menacing all existing institutions with instant ruin.

Subordinate to these great alarms, Mr. President, were three small ones, which filled up the year 1834. There was the gold bill alarm, which was to debase the currency, and deprive the country of silver; the Safety Fund system alarm, in which the Albany regency were to extend corruption and intrigue to the uttermost boundaries of the Union; and the pet bank alarm, in which the country was to be ruined precisely to the same extent, by a conjunction with the banks, that it now is by a separation from them.

After so much agitation there was repose for a little while. We rested nearly two years, until the year 1836. In that year, the Treasury order appeared, and the occasion was deemed a favorable one for the revivification of panic and distress. A signal gun was fired from the Chestnut street palace, in the form of a letter from the president of the Bank of the United States to an ex-President of the United States. A response to that signal echoed from Kentucky, in the shape of a barbecue speech. Congress met; the proper resolution was introduced; panic speeches were let off. A brave effort was made, but to no purpose. The country refused to take fright, and that experiment upon the public nerves died out.

The expunging panic then took its turn. It was a hard struggle for an alarm, but no progress could be made at it. The people could not see the destruction of the Constitution, in the purification of the Senate journal. They could not see the destruction of the journal in the erasure of an iniquitous sentence from it. Far from being frightened at the act, they ordered it to be done; and the branded page will stand for ever as the evidence of a factious outrage on one side, and a monument of national reparation on the other.

The Treasury order and the expunging panics both failed. They were abortive experiments upon the nervous system of the people. Nothing disheartened, however, we find the Opposition gentlemen now bravely engaged at the fabrication of another. The Sub-Treasury bill panic is now the

order of the day; and the total destruction of all banks—the total destruction of all credit—the sudden erection of a Treasury bank upon the ruins of all others—the exclusive imposition of Treasury bank paper money currency upon the people, and, at the same time, the exclusive imposition also of a hard money currency upon them; these are the raw-heads-and-bloody-bones which are now paraded before the eyes of the people. A certain speech delivered on this floor, the title page of which will claim a prominent place in the next emission of coffin handbills, is the congeries of these new horrors—collected, compounded, and conglomerated into one huge and frightful mass. With the delivery of that speech went forth the authoritative mandate for the new panic; but in vain. The people are tired of being seared. They refuse to take fright any more. Calm as a summer's morning, they read with indifference the programme for the alarm, and view with contempt the marshalling of the procession of the hobgoblins, phantoms, and spectres which are put in requisition for the ensuing elections. The country is quiet. But, behold the symptoms of panic in another quarter! The panic makers themselves are beginning to take fright! The tenth day of May approaches; and with it the elevation of that RESUMPTION FLAG which will cheer the hopes of all Republicans, and impress with terror the fainting hearts of the broken bank and shin-plaster party.

Thus we have gone on ever since the appearance of General Jackson on the political stage, and the coincident revival of the old political parties of 1798. Terror is the chosen agent of action upon the public mind *now* as it was *then*; but with this great difference, that the phantoms then brought forward to frighten the people into measures, were solely directed to the nervous system, and never combined with any attack upon the business operations of the country. People were then to be frightened out of their votes, but not deprived of work and labor, or ruined in their trade and occupation. Now the assault is double—it is both upon the nerves of the man, and upon his bread. The famous Queen Elizabeth, in stopping the income of the refractory Earl of Essex, said, *an ungovernable beast must be deprived of his provender*. So of the present Opposition tactics in our own country. Stop his bread—make him feel—turn him out to graze; this is the language of the day. An immense moneyed institution, able to create the distress which it foretells, has brought this *Queen Elizabeth ingredient* into the composition of modern Federal panics; and now every successive attempt at alarm is accompanied by an attack on the business of the country co-extensive with the power, and the ramifications of the power, of the Bank of the United States. Laborers dismissed—work stopped—factories closed—wages reduced—bread and fuel monopolized, and the price augmented—bank accommodations withheld from small dealers and hard workers, and profusely granted to capitalists, shavers, and speculators—specie payments suspended—exchanges deranged—grievous distress created by every act of oppression and aggravated by every art of exaggeration—distress meetings—distress orations—distress committees—and the whole charged by its

own authors on the Republican Administrations; such is the infusion of demoniac ingredients which bank vengeance has superadded to Federal panics, and by which the elections are to be governed, and the people scourged into submission to Federal and Bank domination.

It is now about six years since these attacks have been going on. They commenced with the famous veto session of 1832—the marble palace in Chestnut street, Philadelphia, being the source from which they emanate. The nearer to that source, the more the country is affected and injured; the farther off, the less. Thus, the South and West are less injured than the Northeast; and, in some particulars, the South and West are gaining under the effect of these attacks on business, while the States and cities North of the Potomac are losing. It is time for reflecting men to consider the consequences of this unnatural warfare upon the business of the country. It is time for them to ask themselves what its effects must be on the population, the manufactures, and the commerce of the Northeast, and on the banks themselves, which either become the criminal agents, or the unfortunate victims, of this diabolical policy. History informs us that the revocation of the edict of Nantes deprived France, in three years, of three hundred thousand souls, who carried to foreign States the arts and manufactures of their own native country. History also informs us that the tyranny of the Flemish manufacturing corporations transferred the woollen manufacture from Flanders to England. Already an effect similar to that of the revocation of the edict of Nantes on France, and of the tyranny of the Flemish corporations on Flanders, is beginning to be visible in the effects of this war upon the business of the country in the Northeast. Great is the number of respectable and useful artisans and laborers—great the number of enterprising young men—numerous the heads of families, with their sons and daughters, and promising train of young children, which have already bid adieu to the troubled scenes of the Northeast, and sought repose and independence in the rich and tranquil regions of the far West. Never was the emigration to the West so great. The roads, rivers and canals—all the western communications—are filled with moving masses, pressing into the great Valley of the Mississippi. "*Westward the star of empire holds its course.*" A continuation of the causes of this emigration must augment the emigration itself; and in a few years the effects must be felt on the population and manufactures of the Northeast. To the banks themselves, whether the agents or the victims of this unnatural warfare, a continuance of such conduct must be fatal. Political associations for any purpose, and with any party, must be dangerous to banking institutions; but an association with that party whose connection has been fatal to two National Banks, and to every thing else that it ever touched, and an association to govern elections by breaking up the business of the country—such an association, must be fatal indeed, not merely to the culpable banks engaged in the work, but to many innocent ones which avoid their policy. To the great importing cities, and especially to New York, a continuance of this course, with a repetition of bank suspensions, de-

rangement of exchanges, and interruption of credit, must be highly deleterious. The early loss of the Southern and Western trade may be the penalty of such conduct. Habit, and adventitious circumstances, now carry the Southern and Western merchants to the Northeast to purchase goods; and to purchase them at all the disadvantages of a second hand sale, loaded with the costs, charges, profits and losses of an intermediate sale. Direct purchases in Europe are as easy for the South and West as this second hand operation, and far cheaper. They have the capital—the real capital—in their hundred millions of annual exportable productions. They sell at hard money prices in Europe, and purchase at paper money prices in the United States. The paper system, always hard upon the exporting States, becomes ruinous to them in its derangements. The South and West have only to begin direct importations, and the natural channels will vindicate their own rights forever afterwards. Venice, Genoa, Alexandria, Cairo, once entrepôts of Asiatic and European commerce, had as well look for a restoration of that commerce after the Cape of Good Hope had been doubled, as that New York, Philadelphia, or Baltimore, shall look for a continuation of Southern and Western trade, when once the Liverpool and Havre markets shall be in direct communication with New Orleans and Charleston.

Mr. President, I have said but little—comparatively little—on the merits of the bill before you, because I know, as I have already said, that the merit or demerit of the bill, is not the question before us. It was the question which we presented; it is not the question which gentlemen of the Opposition have discussed. They bring forward another question—one of party, of political power, of restoration of themselves to power. They fly to all the topics of party warfare; they arm themselves from the magazine of party politics; and the Presidential election of 1840 is the object in view. The struggle is for the recovery of a lost charter, and restoration to lost power. The party which got into power, without the consent of the people, in 1825, and which has since been evicted from power by the voice of the people—that party now nerves itself for the dying contest of 1840. At its side is its well beloved cousin and ally, the denationalized National Bank, collecting all its energies for the recovery of a charter which a hero President, and a patriot people, refused to renew in 1832. This double recovery is the object; and the question which really presents itself, is this: ought the evicted Federal party, and the vetoed Federal Bank, be restored to the possession of the political and the pecuniary power of these United States? This is the question, and I hold the negative of it; for, of all Governments under the sun, restorations are admitted to be the most abominable and insufferable! They are the worst Governments ever known. Vengeance and persecution are their ruling passions, and indemnification for lost time their main occupation. It has been so in all ages and in all countries, and will be so for ever. Ancients and moderns—in Asia, Africa, Europe,

and America—the same passions govern the restored party, modified only by the different degrees of civilization which prevail. With the Romans, it was proscription and exile—the *aqua et ignis interdictio*. In Asia and Africa, the restored chief gluts his savage vengeance in acts of brute violence upon his helpless enemies. In Europe, more courtly methods accomplish the degradation, and, if need be, the destruction of the defeated party. In England, the restoration of the Stuarts was the signal for infesting the country with delators, informers, and spies; for fabricating meal-tub and rye-horse plots; for sending the Sidneys and the Russels to judicial slaughter; for filling the prisons with patriots, the Parliament with bills of attainder, and the King's palace with bullies and assassins. In France, the restoration of the old Bourbons brought with it executions, exiles, persecutions, infringement of chartered liberties, and war upon every liberal idea. Here, in our own America, we have constitutional guarantees for the protection of personal rights; but of what avail against the passions and the power of party, let the fate of President Jackson—adjudged unheard by his enemies on this floor—convicted of an impeachable offence without the form of a trial—let his fate tell! Yes, sir! restorations, of all Governments, are the most odious and intolerable. No country has been able, in modern times, to endure one of them. The English chased off the Stuarts; the French chased away the old Bourbons. What sort of Government should we have, in these United States, under the restored dominion of the Federal party, so violent in Mr. Jefferson's time, and so much more furious now? What sort of a *National Bank* would that institution make which is now boiling over with vengeance against every Republican who has not "*crooked the pliant hinges of the knee*" to its divinity? Imagination shudders at the thought of seeing the political and the pecuniary power of this Union fall into the hands of such a party, and such a bank.

Is their restoration probable? I think not. Temporary and partial success, the delusive fruit of terror and deception, may gild their banners for a while. They may carry some counties, some cities; some States. They may continue to exult in the issue of some local elections, as they have done heretofore. But to succeed in the main object—to carry the Presidential chair in 1840—that I hold to be impossible. I go upon my knowledge of the American people. I know them to be for their country, and believe that they can never elevate to power the party which builds its elevation upon the calamities, the humiliations, and the misfortunes of their country. They can never elevate to power the party which in every contest, foreign and domestic, is found on the wrong side of the question—on the side of the British, the French, the Indians, the Mexicans, the non-resuming banks, and the shin-plasters. Such a party cannot succeed; and I announce to them their fate in advance—a Jackson defeat for the month of November, one thousand eight hundred and forty.

